

# Pace

2001 Operating and Capital Program  
2001-2003 Financial Plan for Operations  
and 2001-2005 Capital Plan

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Proposed October 2000



TRAN  
HE  
5268.C4  
S941a  
2001



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## Pace Proposed 2001 Budget—October, 2000



### Chairman's Message

Dear Stakeholders:

The following budget document presents Pace's financial plan for 2001. This year, Pace's financial oversight agency, the Regional Transportation Authority, mandated that we meet a 40% farebox recovery ratio. Pace achieved this budget mark in 2000 in spite of the doubling of fuel costs, but only with the help of a ten-cent fare increase and a one-time transfer of uninsured liabilities that generated over \$1.9 million in revenue. And, although Illinois FIRST vastly enhances our capital program for the next five years, the positive impact of these capital investments are not immediate.

Pace will implement a number of financial changes in 2001 to meet this 40% farebox recovery ratio without any cuts in service. First, Pace will increase revenue through subsidies from municipalities. Second, although Pace has been able to keep ADA fares below the maximum level of twice the regular fare provided for in the Americans with Disabilities Act, it is now necessary for Pace to raise its ADA fare to the allowable \$2.50. Third, we have and will continue to reduce costs through reduction in administrative headcount and constant evaluation of all routes to maintain operating efficiencies. Finally, we will continue to monitor our financial efforts to avoid a general fare increase. However, if these efforts are not success-

ful, consideration will be given to adjusting fares only as a last resort.

This Agency achieved a number of noteworthy successes over the past year. Pace completed the reorganization of its corporate structure into three areas. We began work on a new Comprehensive Operating Plan, which will define our operational objectives for the future. Among those will be a review of all Pace fixed routes, with the goals of improved travel time and financial productivity. The Agency also purchased an electronic document and imaging system which will reduce the need for space and allow growth with minimal increases in support staff. Pace also embarked on an outreach program to better our relationships with external stakeholders.

Rather than resting on the laurels of past accomplishments, Pace continues to strive towards improving the Agency in 2001 and beyond. This year, we will complete and carry out the goals set forth in the new Comprehensive Operating Plan. Pace plans to double the size of our Vanpool Incentive Program from 300 to 600 vehicles on the road in the next three to five years. In addition, we are analyzing corridors where Bus Rapid Transit may be an option, the implementation of which enhances our ability to compete with the

automobile. During 2001, Pace plans to award a contract for an Intelligent Bus System (IBS) which includes automatic vehicle location capability utilizing global positioning satellites and a computer assisted dispatching system. During the year 2001, we begin the process of installing bike racks on all of our buses as well as putting new accessible vehicles in service. We are continuing to work with our sister agencies, CTA and Metra, on a bus-to-rail study and a universal fare instrument. Finally, Pace is continuing to build relationships with the legislature, communities and passengers.

Please review this budget document. As always, we welcome your comments, concerns and ideas, because only through input from our stakeholders can Pace improve as an agency in the years to come.

Sincerely,

**John J. Case**  
Chairman

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## Board of Directors

### **PAGE 2001 OPERATING AND CAPITAL PROGRAM, 2001-2003 FINANCIAL PLAN FOR OPERATIONS, AND THE 2001-2005 CAPITAL PLAN**

John J. Case

*Chairman*

#### Board of Directors

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Cheryl Callahan

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South Suburban Cook County

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DuPage County

North Central Suburban Cook County

North Shore Suburban Cook County

McHenry County

Lake County

T. J. Ross

*Executive Director*



## Executive Summary

### Operating Program and Budget

The 2001 operating and capital program and budget contained in this document is summarized as follows:

The 2001 operating expense totals \$125.1 million. This cost will be covered by \$50.0 million in operating revenue, \$75.0 million in RTA operating subsidies and \$1.1 million in federal funds. Pace's efforts to meet the RTA 40% recovery requirement will require us to generate an additional \$4 million (or roughly 10%) in operating income in 2001.

On September 15th, RTA set a funding level of \$75.0 million and a 40% recovery ratio for Pace. The recovery mark presents a significant challenge for 2001. Pace considered several options to meet funding and recovery marks and has elected to rely heavily on a series of new service initiatives which are expected to improve the overall recovery level.

Pace expects to enter into agreements with the municipalities of Schaumburg and Downers Grove to incorporate local transportation service initiatives under Pace's auspices. These initiatives are expected to gain \$1.3 million in operating income in 2001. Pace also expects to expand its program to garner local government financial support for services by \$1.0 million.

Taken together, these efforts are budgeted to generate \$2.3 million in operating income and would avoid the need for a systemwide fare increase in 2001. If these initiatives are not successful, Pace will reconsider the need to adjust fares during 2001.

In addition to these efforts, Pace will rely on increased local government support for its fixed route program in Niles and the Dial-a-Ride service program. Lastly, an increase in the ADA paratransit fare will take effect in January 2001, bringing the fare from \$2.00 to \$2.50 and \$2.20 depending on the service area.

**Table 1. 2001 Operating Budget Summary (000's)**

	2001 Budget
Total Operating Expense	\$125,052
Less: System Generated Revenue	50,019
Funding Requirement	\$ 75,033
Less: RTA Funding for Operations	75,002
Federal CMAQ Funding	132
Surplus/(Deficit)	\$ 101
System Recovery Ratio	40.0%

## Capital Program and Budget

The 2001 capital program totals \$58.3 million for the existing Pace system. The Regional Transportation Authority (RTA), the Federal Transit Administration (FTA), and the Illinois Department of Transportation (IDOT) are expected to provide \$56.7 million while Pace will commit \$1.6 million from its own funds.

The program contains \$50.1 million for 146 replacement fixed route buses, 38 replacement paratransit buses, 600 bike racks, extended warranties, associated capital, bus overhaul/maintenance expenses, 90 wheelchair securement upgrades, and capital cost of contracting for vanpool services.

Support facilities and equipment totaling \$6.5 million are included in the 2001 program. Projects include improvements to garages, purchase of garage tools and equipment, computers and computer systems, office equipment and non-revenue vehicles.

Stations and passenger facilities total \$3 for the purchase of solar powered bus stop poles and display cases as well as for the unanticipated capital program.

Lastly, \$1.4 million is programmed for contingencies and project administration.

**Table 2. 2001 Capital Program (000's)**

	Amount
Rolling Stock and Related Systems	\$ 50,100
Support Facilities and Equipment	6,550
Stations and Passenger Facilities/Miscellaneous	300
Contingencies/Project Administration	1,350
Grand Total	\$ 58,300





## Introduction

The Pace operating and capital program for 2001 represents the seventeenth annual program for the Suburban Bus Division of the RTA. Created by amendment to the RTA Act in November of 1983, the Suburban Bus Division (Pace) is charged with administering and providing for all non-rail mass transit services in suburban Cook\*, DuPage, Kane, Lake, McHenry and Will Counties.

Pace is governed by a twelve member Board of Directors made up of current and former suburban village presidents and city mayors. The preceding section titled "Board of Directors" identifies the members of the Pace Board and the areas that they represent. John Case, the Board chairman, was appointed to his position at the beginning of 1999.

Pace is required under the Regional Transportation Authority Act (as amended) to prepare, distribute for public hearing, and adopt an annual program and budget consistent with RTA mandates. The final program and budget must provide for a level of fares and services in balance with available funding and achieve compliance with RTA established revenue and recovery levels. A complete description of the budget process and requirements is contained in Appendix B of this document.

The information presented in the following document attempts to present a comprehensive discussion of issues affecting Pace for 2001 and outlying future years, and how these issues have been addressed in the upcoming operating and capital programs. This document begins with an overview of the current Pace system, highlighting characteristics of the system, an identification of Pace's infrastructure, and important information on the Pace system fare structure. The document then addresses Pace's strategic plan efforts and includes information on the long range plan, Pace's Mission-Vision and highlights of the agency's marketing plan efforts. A discussion of the 2001 operating budget follows, identifying all issues affecting the agency budget and how they have been addressed with available funds.

Next, Pace's 2001 capital program is presented, followed by the multi-year capital plan. Discussions in these areas identify funding needs and match available sources with agency needs. Finally, Pace's outlying year operating financial plan is presented discussing three year plan needs and impacts on Pace's fund balance. Appendices have also been included at the end of the document to assist the reader with unfamiliar terms or language and to provide additional financial and operating performance detail.

*\*with the exception of CTA suburban services*



## System Overview

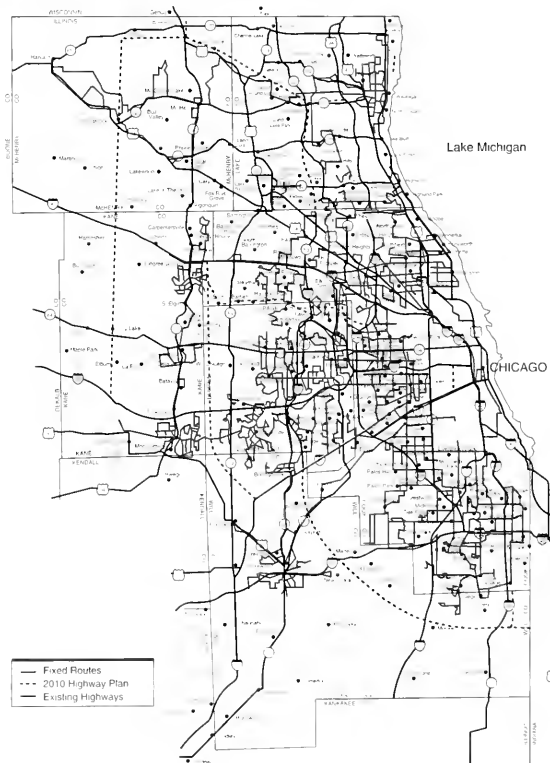
### Fixed Route Service Characteristics

The following map and description summarizes the operating characteristics of the Fixed Route system.

#### FIXED ROUTE SERVICE

162 regular, 61 feeder routes, 10 shuttle buses, 7 subscription services, numerous special event services, and 3 seasonal routes are operated by Pace. These routes service 192 communities and carry nearly 3.1 million riders per month utilizing 591 vehicles during peak periods.

**Map 1. Fixed Route Service Characteristics**



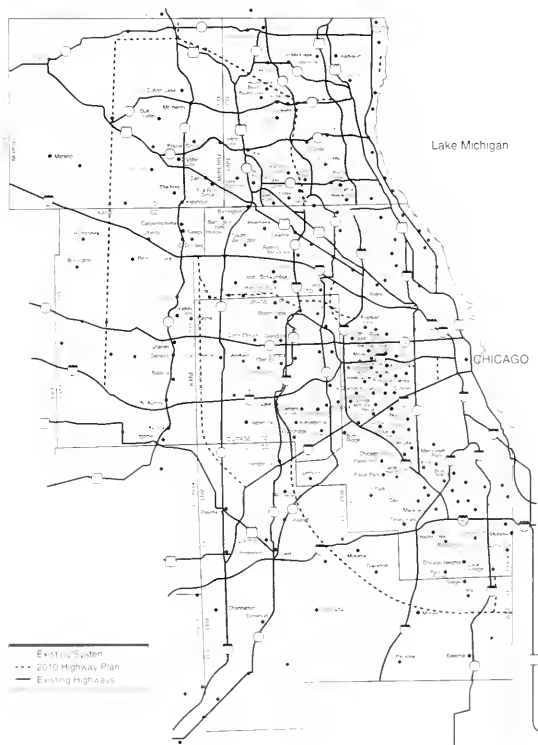
## Dial-A-Ride Service Characteristics

The following map and description summarizes the operating characteristics of the Dial-a-Ride system.

### DIAL-A-RIDE

200 Pace-owned lift-equipped vehicles are utilized to provide curb-to-curb service to approximately 99,000 riders each month. The majority are elderly and/or have disabilities. Pace contracts directly with private providers for the operation of 20 dial-a-ride projects and has grant agreements with villages and townships for the operation of 30 other dial-a-ride projects. Also, two other projects are operated by Pace River Division. These 52 projects provide services to over 210 communities throughout the six county area.

**Map 2. Dial-A-Ride Service Characteristics**



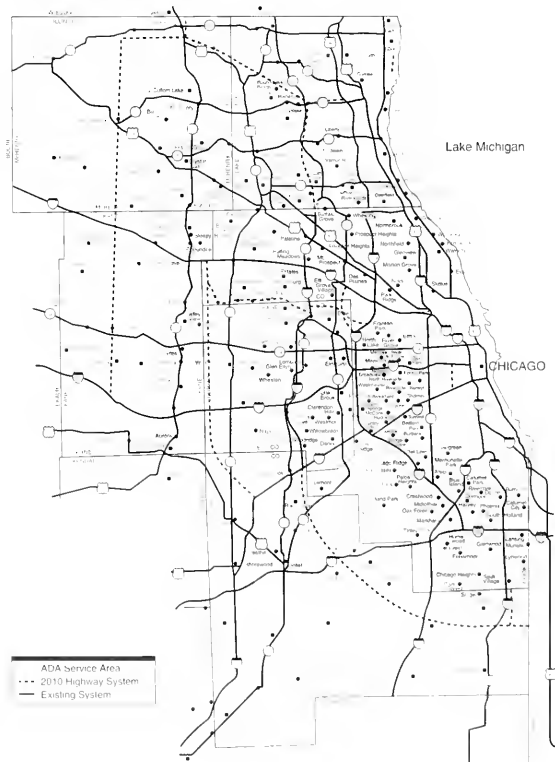
## ADA Paratransit Characteristics

The following map and description summarizes the operating characteristics of the ADA Paratransit Service Program, as it exists in 2000

### ADA PARATRANSIT

148 Pace-owned lift-equipped vehicles are utilized to provide curb-to-curb service to approximately 33,500 riders each month. Individuals that are not able to use Pace's fixed routes can register to utilize Pace's ADA paratransit service. The RTA is administering a regional certification program which determines eligibility for this service. Once eligible, passengers can make travel arrangements for trips within the shaded service area. This area includes a corridor of 3/4 mile to either side of Pace's regular fixed routes in the suburban areas as called for by federal regulations. Pace contracts with private operators strategically located throughout the service area to provide this service.

**Map 3. ADA Paratransit Service Characteristics**



## Fare Structure

The following table describes the major Pace fares currently in effect for fixed route and paratransit services. Pace's proposed 2001 budget calls for a fare increase for ADA paratransit services. ADA fares will increase from the current \$2.00 a ride to \$2.50 and \$2.20 depending on the area of service. The ADA fare increase of \$2.50/\$2.20 is based on the provision of charging two times the full fare rate of \$1.25 for regular fares and \$1.10 for local fares. All other fare categories remain unchanged at this time. Pace has met the 40% recovery rate utilizing new initiative efforts to raise revenues. However, Pace may have to reconsider raising fares later in 2001, if these new efforts do not produce the needed revenue levels required to achieve the 40% recovery requirement.

**Table 3. Fare Structure**

	Current Fares		Proposed Fare Changes
	Full Fare	Reduced Fare	
<b>REGULAR FARES</b>			
Full Fare	\$ 1.25	\$ .60	
Transfer to Pace	\$ .10	\$ .05	
Transfer to CTA	\$ .55	\$ .30	
<b>PASSES</b>			
Pace/CTA (30-Day)	\$ 75.00	\$ 35.00	
Commuter Club Card (CCC)(Pace Only)	\$ 39.00	\$ 19.50	
Express Commuter Card	\$ 49.00		
Link-Up Ticket	\$ 36.00		
Plus Bus	\$ 30.00		
Regular 10 Ride Plus Ticket	\$ 12.50	\$ 6.00	
Student Pass		\$ 22.00	
Subscription Bus (Monthly)	\$ 99.00		
<b>LOCAL FARES</b>			
Full Fare	\$ 1.10	\$ .55	
Transfer to Pace*	\$ .25	\$ .10	
Transfer to CTA	\$ .70	\$ .35	
Local 10 Ride Plus Ticket	\$ 11.00	\$ 5.50	
<i>*Local transfers are free of charge</i>			
<b>EXPRESS FARES</b>			
<b>ALL TIMES</b>			
Basic (Routes 391, 395, 536, 556, 600, 606, 610, 616, 626, 636, 637, 747, 757, 767, 833, 877, 888, 890)	\$ 1.50	\$ .75	
Premium (Routes 210, 355 and 855)	\$ 2.75	\$ 1.35	
Route 835 (Zone Fares)	\$ 3.90	\$ 1.95	
Premium 10 Ride Plus Ticket (210, 355 & 855)	\$ 27.50	\$ 13.50	
<b>OTHER</b>			
Dial-a-Ride	\$ 1.30	\$ .65	
ADA Paratransit Services	\$ 2.00		\$2.50 / \$2.20
Special Services (Non-ADA)	\$ 5.00		

## Pace System Infrastructure

Since Pace's inception in 1984, the focus of the capital improvement program has primarily been on the replacement of buses and garage facilities. More than \$216.9 million has been spent on land



Southwest Garage in Bridgeview (top). Elgin Transportation Center (bottom)

acquisition, design and engineering, and the renovation/replacement of 10 fixed facility garages and its administrative headquarters, 8 Pace-owned passenger facilities, 14 bus turnarounds and 8 park-n-ride centers. Additionally, Pace has a current investment of \$167.8 million in the active fleet of 639 fixed route buses, 354 paratransit buses and 390 vanpool vehicles. Lastly, Pace has an investment totaling roughly \$40.0 million in support equipment such as fareboxes, radio systems, computer equipment, and miscellaneous garage equipment.

Pace's garages provide inside bus storage for 525 buses with building size totaling nearly 1.0 million square feet.

In 2000, Pace started construction of park-n-ride lots in Homewood and Hillside and a bus turnaround in Riverdale. Lastly, Pace broke ground for a new paratransit garage in McHenry County. This facility is expected to be completed by summer 2001.

### PACE FACILITIES

- A. Pace River Division  
975 S. State, Elgin  
63,000 square feet, 1989
- B. Pace Fox Valley Division  
400 Overland Dr., N. Aurora  
56,800 square feet, 1994
- C. Pace Heritage Division  
9 Osgood St., Joliet  
55,000 square feet, 1985
- D. Pace North Division  
1400 W. Tenth St., Waukegan  
57,800 square feet, 1987
- E. Pace West Division  
3500 W. Lake St., Melrose Park  
221,570 square feet, 1986
- F. Pace Southwest Division  
9889 Industrial Dr., Bridgeview  
81,500 square feet, 1994
- G. Pace South Division  
2101 W. 163rd Place, Markham  
191,000 square feet, 1988
- H. Pace Northwest Division  
900 E. Northwest Hwy.,  
Des Plaines  
82,700 square feet, 1962
- J. City of Highland Park\*  
1150 Half Day Road,  
Highland Park
- K. Village of Melrose Park\*  
1000 N. 25th Ave., Melrose Park
- L. Village of Niles\*  
7104 Touhy Ave., Niles
- M. Pace North Shore Division  
2330 Oakton St., Evanston  
81,500 square feet, 1995
- N. Pace Administrative  
Headquarters  
550 W. Algonquin Rd.,  
Arlington Heights  
46,500 square feet
- O. South Holland  
Acceptance Facility  
405 W. Taft Dr., South Holland  
44,700 square feet, 1984
- P. Pace Paratransit Garage  
McHenry Corporate Center  
McHenry  
(under construction)

\*Municipal Garages

#### ▲ TRANSPORTATION AND TRANSFER CENTERS

**Aurora Transportation Center**  
Aurora  
**Buffalo Grove Transportation Center**  
Buffalo Grove  
**Chicago Heights Transfer Center**  
Chicago Heights  
**Elgin Transportation Center**  
Elgin  
**Gurnee Mills Transfer Facility**  
Gurnee Mills  
**Harvey Transportation Center**  
Harvey  
**Northwest Transportation Center/Charles Zetek Facility**  
Schaumburg  
**Prairie Stone Transportation Center**  
Hoffman Estates

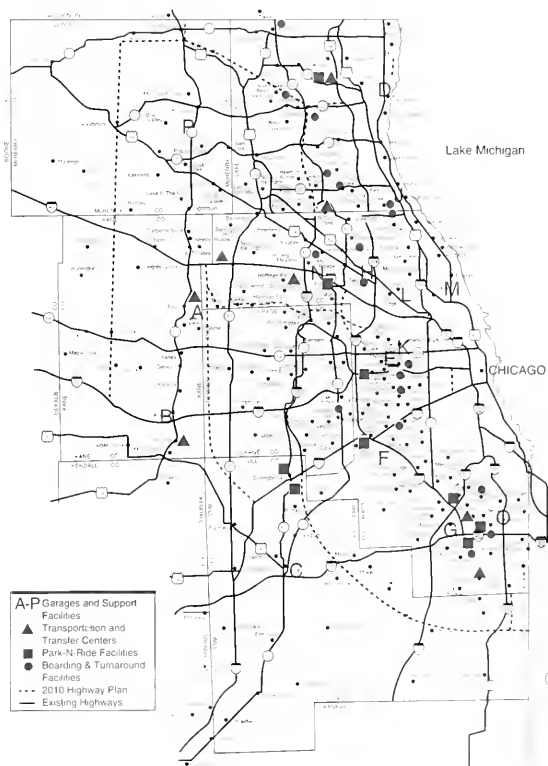
#### ● BOARDING AND TURNAROUND FACILITIES

**Arlington Heights Metra**  
**Clarendon Hills Metra**  
**Deerfield Metra**  
**Des Plaines Metra**  
**Forest Park-CTA Station**  
**Homewood Metra**  
**Lake-Cook Road Metra**  
**North Riverside Park Turnaround**  
**Oak Park CTA/Metra**  
**Park Forest (Centre)**  
**Riverdale Bus Turnaround**  
(Construction 2000)  
**South Suburban College**  
(South Holland)  
**Summit CTA/Pace**  
**Vernon Hills Metra**

#### ■ PARK AND RIDE FACILITIES

**Blue Island Park-n-Ride**  
Blue Island  
**Bolingbrook Park-n-Ride**  
Old Chicago Drive  
Bolingbrook  
**Bolingbrook Park-n-Ride**  
Town Center  
Bolingbrook  
**Burr Ridge Park-n-Ride**  
Burr Ridge  
**Elk Grove Village Park-n-Ride**  
Elk Grove Village  
**Hillside Park-n-Ride**  
Hillside  
(Under Construction)  
**Homewood Park-n-Ride**  
Homewood  
(Under Construction)  
**South Holland Park-n-Ride**  
South Holland

**Map 4. Pace System Garage and Support Facilities**



## Pace Rolling Stock— Active Fleet



**Table 4. Pace Rolling Stock Active Fleet**

### FIXED ROUTE

Manufacturer	Year	No. of Vehicles	Age	Length	Accessible
Orion I	1988	103	12	40'	No
Orion I	1989	39	11	40'	No
Orion I	1990	49	10	40'	No
Orion I	1990	84	10	35'	Yes
Orion I	1990	43	10	40'	Yes
Ikarus	1992	70	8	40'	Yes
Orion I	1993	21	7	35'	Yes
Orion I	1993	85	7	40'	Yes
Chance	1995	15	5	26'	Yes
Nova	1996	22	4	40'	Yes
Eldorado	1997	56	3	29'	Yes
NABI	1999	30	1	35'	Yes
NABI	1999	22	1	40'	Yes
Total		639			

Average Age

8.0 years

### PARATRANSIT

Manufacturer	Year	No. of Vehicles	Age	Length	Accessible
Ford/Goshen Buses	1990	2	10	23'	Yes
Ford/Goshen Buses	1991	19	9	23'	Yes
Ford/Eldorado Buses	1994	110	6	23'	Yes
Chance Buses	1995	3	5	26'	Yes
Eldorado Vans	1995	73	5	19'	Yes
Eldorado Buses	1995	30	5	23'	Yes
Eldorado Vans	1996	45	4	19'	Yes
Eldorado Buses	1996	70	4	23'	Yes
Eldorado Vans	1997	2	3	19'	Yes
Total		354			

Average Age

5.2 years

### VANPOOL

Manufacturer	Year	No. of Vehicles	Age	Length	Accessible
Vans	1993	1	7	Various	1
Vans	1994	13	6	Various	2
Vans	1995	24	5	Various	0
Vans	1996	42	4	Various	6
Vans	1997	72	3	Various	1
Vans	1998	96	2	Various	18
Vans	1999	23	1	Various	0
Vans	2000	119	0	Various	0
Total		390			

Average Age

2.1 years



## Operating Environment

The Pace service area measures 3,446 square miles, nearly the size of the state of Connecticut. The suburban area is divided among the six counties and incorporates 270 municipalities. Transportation needs among this broad area are as unique as the individual communities that comprise it. The suburb-to-suburb commute trip has now become the dominant travel market in the region and is primarily served by the automobile. Pace provides a total of over 1,200 vehicles to meet suburban commuting needs everyday.

### POPULATION AND EMPLOYMENT

The suburban area has a 1990 population of 4.5 million and employment of 2.2 million. The suburban area not only exceeds the City of Chicago in terms of absolute population and employment, but it also continues to grow while population and employment in the City have declined since 1970, as shown in Chart A.

### SUBURBAN OFFICE SPACE

In total, 40% of the region's office space is outside of the City of Chicago. Since 1975, over 57 million square feet of office space has been built in the suburbs, the majority of which is poorly accessible to transit patrons. Large building set-backs and a lack of sidewalks and pedestrian crossings are typical of the suburban environment.

To ensure that future development is transit accessible, Pace works closely with interested municipalities and devel-

opers to assist them in incorporating transit planning into their projects. By becoming part of the plan review process, transit amenities can be incorporated into their development plans from the outset.

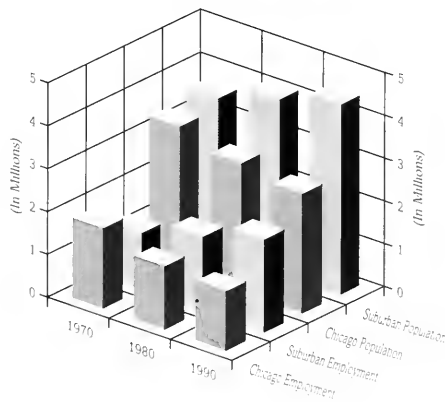
In 1999, Pace provided technical advice on 35 proposed development plans and 48 IDOT roadway improvement projects. By cooperatively working with IDOT, Pace has been able to incorporate transit needs such as bus turnouts, shelters, pads, turn lanes and signal modifica-

tions into road improvements as needed to provide faster, more effective service.

### HIGHWAY TRAFFIC CONGESTION

The substantial growth in suburban population, employment, households and office space has clogged the region's highways with traffic congestion. Between 1980 and 1990, traffic volumes have increased 33% while highway miles increased by only 5%. From all indications, the situation is likely to worsen considerably by the year 2010.

**Chart A. Service Area Population and Employment**



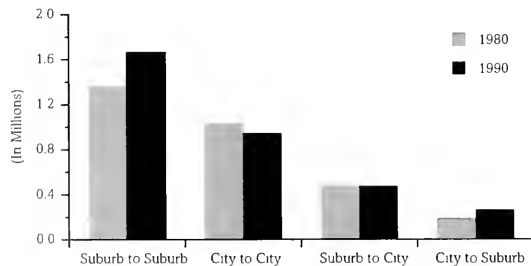
#### JOURNEY TO WORK MARKET

The total journey to work trip market reached 3.3 million (one-way) trips in 1990, up over 9% from 1980. At the same time, however, total ridership for the region's mass transit providers fell by 16.7%, a loss of nearly 137 million annual trips.

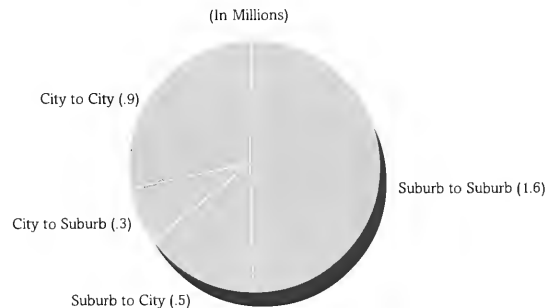
The region's work commute market can be divided into four major segments (Chart C) which facilitate understanding of the effect that population and employment shifts have on travel and transit demand. Transit's strongest markets have traditionally been the city-to-city and suburb-to-city commute markets

and, as can be seen on Chart B, these markets have either declined or remained flat from 1980 to 1990. In contrast, transit's weakest markets, suburb-to-suburb and city-to-suburb (or the reverse commute) have grown dramatically from 1980 to 1990.

**Chart B. Journey to Work Trip Volume by Major Market—1980 vs. 1990**



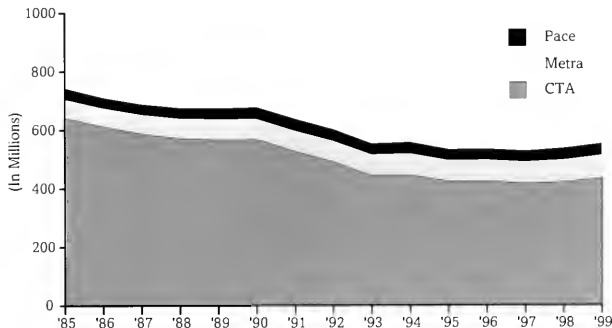
**Chart C. Journey to Work Travel market segments\***



*\*Based on 1990 Census Transportation Planning Package data*

The impact of these market shifts on transit ridership for the three Service Boards has also been significant as shown on Chart D. The heaviest losses were experienced by the CTA which experienced substantial declines in population and employment in its City based market. Commuter rail ridership declined by 12.6 million annual trips, though this is largely attributed to the dramatic fare increases levied in the early 1980's, a result of the RTA financial crisis prior to the creation of Metra. Pace ridership actually grew by 2.2 million trips for the 1980 to 1990 period, although the growth did not parallel increases in suburb-to-suburb commuting.

**Chart D. System Ridership**



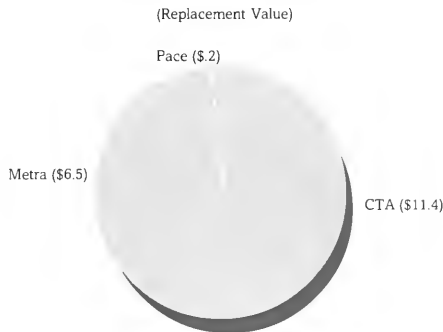
This is due to several factors; first, over 40% of Pace service is in the suburb-to-city market which has been flat since 1980; secondly, most of the growth in suburb-to-suburb commuting has taken place in the lower density outlying suburbs while Pace services to a great extent are concentrated in the older, closer in suburbs and satellite cities of Aurora, Elgin, Joliet and Waukegan. For the most part, the inner suburban communities and satellite cities well served by Pace have also lost population and employment from 1980 to 1990. Pace's long range plans address this issue.

#### REGIONAL TRANSIT CAPITAL ASSETS

While the majority of the region's population and employment are suburban, and the growth continues to exceed the City, the region's heaviest investment in transit capital is designed to serve the City and

central business district. Pace capital assets represent only 1% of the region's capital infrastructure, though Pace carries over 7% of the region's transit patrons (reference Chart E).

**Chart E. Public Transportation Assets (Billions)**



## Performance

Pace closely monitors the performance of its services. A quarterly evaluation is performed on all fixed route services and those routes that fail to meet minimum performance standards are restructured or eliminated. Funds saved by the reduction of low productivity services are redirected to better service opportunities. This helps to increase Pace's ridership while maintaining stable recovery performance.

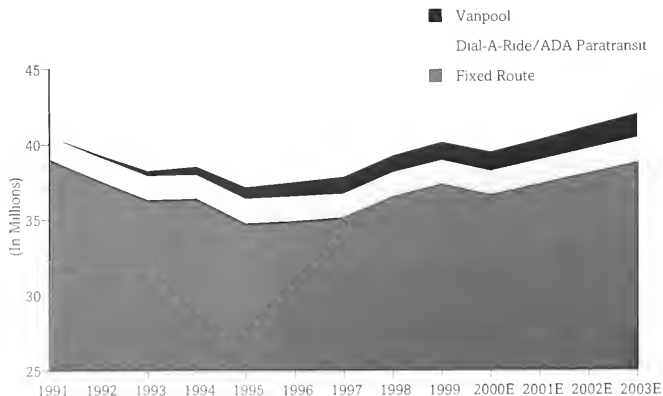
### RIDERSHIP

Pace ridership for 2000 is projected to end the year down 1.6%, or 652,000 trips below the 1999 levels of 40.2 million riders. The decrease in ridership is primarily attributed to a fare increase that was implemented January 1, 2000. Pace also eliminated acceptance of the CTA 7-day pass which resulted in a further decline in 2000 ridership.

For 2001, Pace is projecting to carry 40.4 million passengers, up 2.1% from the 2000 estimate. The forecast for 2001 is based on achieving a 1.9% increase in base system ridership, with continued growth in vanpool and ADA paratransit ridership.

Historical and projected suburban bus ridership is represented on Chart F.

**Chart F. Suburban Bus Ridership**



#### COST PER MILE

Pace's cost control efforts are substantiated by performance as measured by cost per mile. For the ten year period from 1991 to 2000, expense per mile has remained essentially unchanged with a growth of only 4.1%, while inflation for the same period has totalled 27.3%. If it were not for the cost savings programs and efforts, Pace's expense per mile growth would have been at (or greater than) the rate of inflation for the period. Without continued cost containment efforts, the 2001 budget may have been closer to \$4.37 per mile instead of the projected \$3.10. This savings of \$1.27 per mile is significant and amounts to \$50.1 million or over 39% of the 2001 budget. The cost per mile trend is represented on Chart G.

#### RECOVERY RATIO

The recovery ratio is calculated by dividing total operating revenue by total operating expense. Pace's recovery ratio experienced a dramatic increase in 1990 due to new funds coming in from the State of Illinois' half-fare subsidy program. During the 1990's, the State reduced the amount of funds available under this program. However, in 2000 the State resumed full funding of the original program resulting in a doubling of reduced fare subsidies. Pace will receive \$3.6 million in 2000 and 2001, and this will help to achieve the 40% recovery rate. Also, the expansion of

ADA paratransit service as required by law serves to depress the recovery ratio as these services typically recover less than 10% of their cost from passenger fares.

Pace has been achieving increasing recovery levels for the past several years and was required to reach 40% in 2000. Through continued cost containment efforts and the benefit of a one-time receipt in income (gain from a loss portfolio transfer), Pace will achieve the 40% mark in 2000. For 2001, RTA is again holding Pace to the 40% recovery ratio. In order to meet this recovery level, Pace has implemented several actions including fare increases (ADA Paratransit Fares), the addition of new services with high recovery rates (Schaumburg and Downers Grove), and the solicitation of contributions from local governments to help Pace reach the required recovery mark. Further discussion of the recovery ratio is included in the summary of the operating budget section. Historical recovery performance is represented on Chart H.

Chart G. Pace Operating Cost Per Mile Actual vs. Inflation

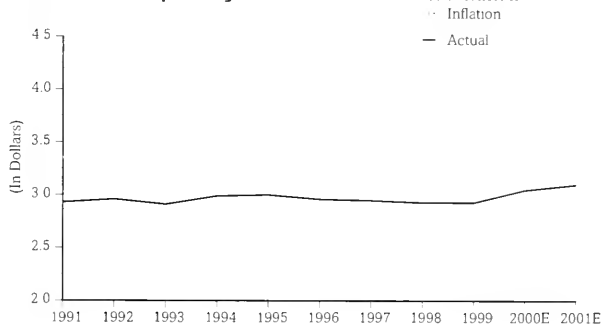
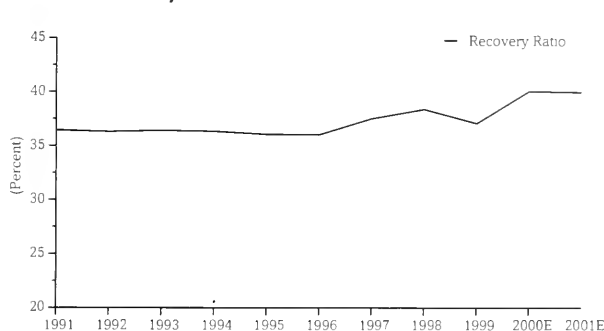


Chart H. Recovery Ratio





## Strategic Planning

### Mission/Vision Overview

Pace's mission is to provide transportation services in the suburban Chicago area while remaining fiscally responsible. While fare increases create barriers to growth, they also provide the revenue required for Pace to remain fiscally responsible and meet the required farebox recovery ratio.

Since Pace's inception in 1985, the growth of suburban bus ridership has been hampered by fare increases in 1986, 1992, 1994 and, most recently, in 2000. In 1985, Pace's annual ridership was 38.4 million. Following an 11 percent fare increase at the beginning of 1986, ridership declined to 35.6 million riders in 1987 (a loss of 7 percent). After the 10 percent fare increase in 1992, ridership declined from Pace's record high of 40.5 million in 1992 to 38.3 million at the end of 1993 (a loss of 5-1/2 percent). Just as ridership began to rebound from the 1992 increase, fares were increased in 1994. By the end of 1995, ridership declined to the lowest level of the 1990's, 37.2 million.

In 1999, Pace ridership increased for the fourth consecutive year and exceeded 40 million riders for the first time since 1991. The tightening budget and an increase in the required farebox recovery ratio for 2000 led to a fare increase at the beginning of the year. Because the effect of a fare increase historically lasts two years, Pace faces ridership growth barriers through 2001.

Over the years, Pace has found that ridership is held down, in part, due to recovery ratio requirements and resulting fare increases. Pace is now taking steps to deal with the recovery ratio requirements so that we can continue to improve suburban service.

#### A NEW DIRECTION

During 2000, the development of the Office of Strategic Services ushered in an era of comprehensive planning that is complemented by a new commitment to customer service. Strategic Services includes three departments: Planning Services, External Relations and Marketing and Communications.

Under the new organizational structure, the planning functions have all been consolidated into the Planning Services Department. The Department includes long range planning, capital planning, and service planning functions. Planning support functions of scheduling and service analysis are also in the Department.

An External Relations Department has been created to emphasize the importance of strong relationships with Pace stakeholders (including riders, businesses, community, state and federal officials). Through these relationships, Pace can form partnerships for new and improved services and initiatives.

The Marketing and Communications Department is responsible for the development and distribution of information on all Pace services. In addition, the Market Research area is now a part of this Department which allows for a more direct transfer of customer data.

Year 2001 finds Pace completing an updated Comprehensive Operating Plan that will guide the future of Pace. In addition, studies are underway to evaluate bus rapid transit (BRT), and improve bus to rail (feeder bus) connections. On the technology side, Pace plans to award a contract in 2001 for the installation of an Intelligent Bus System (IBS).

In addition, Pace recognizes the need for local support of transit as part of the overall transportation program for the six-county region. Pace is working with county-based organizations in DuPage, Kane, Lake and McHenry Counties as they evaluate and develop transportation plans.

## RE-DEFINING SERVICE STRATEGIES

Over the past decade, ridership in our strongest market, the traditional suburb-to-city market has struggled. However, the growth in the suburb-to-suburb and city-to-suburb ridership is a direct result of our efforts at re-defining services in the inner suburban areas adjacent to the City of Chicago and the CTA rapid transit lines. Reverse express routes (from the CTA rapid transit lines to suburban employment sites) have been implemented to the West, Northwest and North suburbs. The employment increase in the suburbs is a key component of the ridership increase. Our connections with CTA services provide a vital link to Chicago residents traveling to suburban employment sites.

## STRENGTHENING OUR CORE SERVICE AREAS

As part of re-defining service, Pace is evaluating ways to improve service provision within the inner suburban areas. Re-farming, a term derived from the communications industry, is planned for implementation in the South suburbs in 2001. After the initial service is in place in the southern suburbs, Pace plans to expand this effort systemwide.

Re-farming, in the communications industry, involves pulling in all of the channels serving a certain bandwidth and re-allocating them to improve efficiencies

At Pace, re-farming is used to define the process of re-allocating resources used to provide service within a corridor (in our demonstration, 159th Street). This results in a streamlined route, improved efficiencies, and fewer transfers for our passengers.

Pace is also looking to provide express trips within our busiest corridors during 2001. Further express links from the end of the rapid transit lines are planned to serve as extensions of rail service. These demonstration programs are aimed at strengthening our strongest routes and the core service area, resulting in increased ridership for the Pace system.

Improving the ridership within the inner suburban areas is the key to making Pace successful in gaining ridership and achieving the farebox recovery ratio. Re-defining our services to better utilize our resources is essential.

## IMPROVING BUSINESS CONNECTIONS

Pace has worked with the business community to establish a myriad of services throughout the suburban area. Simply stated, businesses need employees and Pace provides an important transportation option to get people to work.

Over the past few years, Pace has established working partnerships with large employment centers to increase ridership. For example, the UPS facility in southwest suburban Hodgkins is served

by routes from the end of the Orange, Red and Blue CTA rapid transit lines, as well as other areas. Funding, in part, is provided by UPS.

Pace plans to continue to expand its services by utilizing express routes, traditional routes, and vanpool service options. Services funded through a Job Access-Reverse Commute (JARC) grant from the FTA also provide important opportunities to increase ridership.

## DEVELOPING NEW SERVICES

The Pace Comprehensive Operating Plan is currently being revised and updated. Upon its completion, the COP becomes the template for new service development and design for the future. The bus rapid transit system is an example of new service development. The IBS system will make current services more efficient through the improved use of technology. This allows Pace the ability to explore the development of new services.

## SUMMARY

As we complete the year 2000, we can be proud of the accomplishments achieved since our creation in 1985. Ridership has reached 40 million riders per year, most recently in 1999, while our farebox recovery ratio has improved from 28 to 40 percent. New programs such as reverse express routes, vanpool, and subscription

bus services, have been key to our growth. Service concepts such as re-farming, express links and bus rapid transit are vital to our continued success.

During 2000, Pace set a new direction by completely reorganizing its corporate structure under three Deputy Executive Directors heading the Offices of Internal Services, Revenue Services and Strategic Services. The Office of Strategic Services will now move forward with a new mission statement, operating plan, strategic and long-range plans to direct Pace into the future.

## Strategic Plan Summary

In 1996, Pace updated the Strategic Plan originally adopted in 1988. That first Plan emphasized the need for Pace to adapt to regional travel changes while maintaining sound fiscal performance. New services, including expanded reverse express bus operations and initiation of a vanpool program, were proposed as complements to traditional fixed route service. In addition, development of passenger facilities like transportation centers and park-n-ride lots were recommended in support of those services. Enhancing operations through the use of advanced technologies was promoted, as was consolidation of publicly owned services under direct Pace control.

Many of the objectives of the Strategic Plan have been achieved, and it has served the agency well. A new Strategic Plan, currently under development, is designed to bring us forward from the previous plans, to guide the direction of the agency into a new era.

Several mandates, some national and some local, are important forces that drive the way Pace can do business. These mandates direct significant portions of funds requiring Pace to be more strategic in designing services that achieve overall goals. In addition, other issues are outside of our direct control, but have impact on ridership and ultimately the agency's recovery ratio performance.

Nationally, the Intermodal Surface Transportation Efficiency Act (ISTEA) and the Transportation Efficiency Act for the 21st Century—TEA-21 have changed the way public transit is funded and managed at the federal, state and local level. The Clean Air Act Amendments (CAAA) increased the transportation community's role in making the environment less hazardous. Uniform Commercial Drivers License (CDL) requirements and mandatory drug testing were implemented by the U.S. Department of Transportation. The Americans with Disabilities Act (ADA) has expanded public transit's obligations to persons with disabilities.

Locally, the annual farebox recovery ratio requirement set by the RTA requires Pace to achieve revenue levels more typical of an urban operation. However, Pace serves a sprawling suburban area without a central business district. Pace has risen to the challenge over the past 15 years and increased the recovery ratio from 28 percent to 40 percent. Future increases in the recovery ratio requirement may cause fare increases that result in ridership decreases.

Since Pace and CTA share a common fare system and many riders use both carriers, fare changes initiated by the CTA have a major impact on Pace's performance. Similarly, although Pace enjoys good relationships with many of the communities it serves, the system is

nonetheless constrained by local policies in its ability to provide passenger amenities such as signs and shelters.

### STRATEGIC VISION

In order to remain a viable commuting option, Pace must keep up with travel growth in the suburbs. The old plan had very specific ridership and recovery ratio goals. The new Strategic Plan, upon completion, will include ridership and recovery ratio goals that take into account the policies and issues outside of Pace's control.

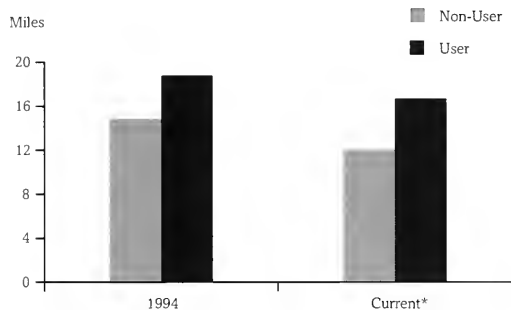
### RESPONDING TO CHANGING MARKETS AND FORECASTS

As one of the most comprehensive market studies done in the industry the 2000 Marketing Plan identified the behavioral characteristics of Pace's customers. Approximately 80% of those customers take Pace to work, and on average they have done so for 5-1/2 years. Our customers represent three major market segments, the traditional suburb-to-city market, the reverse commute or city-to-suburb market, and the suburb-to-suburb market.

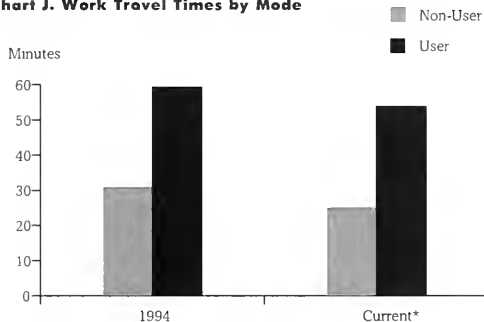
While the bulk of Pace's fixed route service was originally focused on the suburb-to city market, routes have been redesigned to address the need for connecting people traveling from the City to the suburbs or simply traveling between suburbs. Pace's most successful routes are designed to serve passengers in each of these market categories.



**Chart I. Work Trip Lengths by Mode**



**Chart J. Work Travel Times by Mode**



\* Current user info is from 1996-1998 User Study (1996 Phase I)

\* Current non-user info is from 1999 Non-User Study

Historically, one of the complaints that customers have of bus service is that it is substantially slower than a private auto. As identified in the 1996 Phase I User Study and the 1999 Non-User Study, Pace customers travel 39% farther than non-users (Graph I) and have a travel time more than double that of an auto user (Graph J). Pace sees this shortcoming as an opportunity to initiate technological solutions to help alleviate the growing congestion in the suburbs.

In the next section, Strategic Plan Highlights, some of the actions Pace has implemented, designed or planned for implementation are identified. Part of the Plan is to enhance travel speed for Pace buses through technological and service planning processes.

#### STRATEGIC PLAN HIGHLIGHTS

While the new Strategic Plan is currently under construction, some key issues are planned for inclusion. Although some of these issues may have modifications as we progress with the final plan, they are fundamental to Pace's success. The new Strategic Plan will call for Pace to take actions that:

- provide bus priority at traffic signals to improve fixed route bus service reliability and operating speeds;
- allocate service to expand Pace's express bus network; this includes the possible development of routes serving as extensions of CTA rail lines (e.g., Blue Line Extension),

- plan the placement of park-n-rides and transit centers to support Revenue Services;
- utilize vanpool and subscription bus, particularly in low density areas, and identify other transit options;
- continue to expand the availability of sheltered waiting areas throughout the Pace service area;
- enhance passenger information;
- continue to seek alternative funds to provide additional services;
- evaluate feeder bus services in coordination with Metra;
- continue discussions with the RTA for farebox recovery exemptions for mandated programs.

In order to achieve continued operating improvements, Pace must do the following:

- secure additional funding (both public and private);
- implement new technologies as they develop (including signal priority and the Intelligent Bus System (IBS));
- enhance service quality through programs such as re-farming and bikes on buses;
- monitor on-time performance; and
- pursue additional capital improvements (including facilities and vehicles).

The old plan developed a foundation to start Pace thinking strategically. The new Strategic Plan promises to improve performance while maintaining Pace's commitment to the residents, employees, businesses and communities throughout the Chicagoland suburban area

## Long Range Planning

In 1992, Pace developed its first long range Comprehensive Operating Plan (COP). The COP was created to provide a direct link between the region's 2010 Transportation System Development Plan and Pace's five year capital plan and the annual operating and capital budget elements. Elements of the COP have been included in the draft CATS 2020 Regional Transportation Policy Plan.

In 2000, Pace began the process of creating a new COP (Vision 2020) that includes new goals and a direction to move forward into the twenty-first century. The new COP is scheduled for completion in 2001. Vision 2020 will include specific items needed for the development of a comprehensive suburban public transportation system. They are briefly summarized as follows:

### **FIXED ROUTE AND EXPRESS ROUTE SERVICE**

Responding to growing population, employment in further outlying suburbs and the need to connect residents to major suburban employment centers, Vision 2020 is designed to address the level of fixed route services.

High speed linkages to major employment centers continue to be a priority for Pace. Vision 2020 is designed to expand on the successful services currently operating. More service opportunities, especially in the reverse commute market,

are planned using funds made available under TEA-21, JARC and flexible transportation funding from public grants and private sources.

### **DIAL-A-RIDE SERVICE**

Vision 2020 will address dial-a-ride services and identify methods to improve performance. The Service Benchmarks (used to evaluate all services) may provide valuable information for directing future growth and development.

### **CUSTOM SERVICES**

Part of the Vision 2020 plan includes custom services. Subscription bus, vanpool, and express routes are already in place based on the needs of a specific company or business park. New services, and the methods to design and implement them, are part of Vision 2020.

### **VEHICLES**

Vision 2020 recognizes the need for additional vehicles and specific components of them. For example, low-floor buses are planned to replace the lift-equipped vehicles currently in operation. These buses provide easier access for all persons including people with disabilities or mobility limitations. All fixed-route buses are being equipped to carry bicycles on a rack on the front of the bus. These programs are designed to increase ridership or improve boarding and alighting.

Smaller buses are already replacing school bus equipment on feeder routes to Metra stations. The improvement of vehicle type is designed to better penetrate the neighborhoods served by the route and increase the visibility of Pace throughout the suburbs.

### **GARAGES**

In late 1994, Pace completed the construction of its ninth garage (in Evanston) which concluded the ten year program to renovate and replace the nine fixed route division garages. A major re-design of the Northwest Division is in the planning stages. Plans for a new garage are underway in McHenry County and another is being considered in DuPage.

### **PARK-N-RIDES**

Park-n-ride facilities are important to Pace's future growth and success and Vision 2020 will identify locations for their development. Park-n-ride facilities can improve the performance of long-distance express services and short-distance connections to Metra stations. Vision 2020 will identify the use of Pace owned facilities and leased sites.

#### TRANSPORTATION CENTERS

Pace has recently completed the construction of transportation centers in Harvey and Chicago Heights. These facilities have greatly improved the operation of routes traveling through these communities. Vision 2020 plans will include recommended sites for new transportation centers strategically located through the suburban area.

#### RESTRICTED USE

In order to increase the speed of express service operating on the region's highways and tollways, Vision 2020 will provide direction on the future of restricted use facilities and roadways. A restricted use facility (such as exclusive toll bypass lanes and bus only exit/entrance ramps) would allow buses and potentially other HOV's to bypass high congestion areas such as interchanges.

#### SIGNAL PRIORITY AND IBS

The on-time performance and operating speed of Pace vehicles can be significantly enhanced through the use of signal priority systems. A demonstration of the technology along Cermak Road has proven the value of signal priority.

Preliminary results of the demonstration indicate that a 30% improvement in operating speeds can be gained for buses without adversely affecting general traffic flow. Computer simulations of other potential bus priority corridors suggest that

anywhere from 10% to 50% improvement in operating speed in bus travel times could be achieved with widespread use of bus priority at traffic signals.

Signal priority is one component of the Intelligent Bus System (IBS) that Pace is currently pursuing. The IBS can improve the operations of Pace services through a coordinated series of computer components including signal priority, automatic vehicle location, on-board voice annunciation, automatic passenger counters, etc.



*Harvey Transportation Center (top) opened in January, 2000. The facility has a passenger waiting area and a private vendor space. Chicago Heights Transfer Center was completely renovated in 1998 (bottom).*

## Marketing Plan

Pace's 2000 Marketing Plan represents our latest effort at preparing a comprehensive plan designed to achieve the agency's goals. The plan primarily focuses on work commute trips which comprise 80% of Pace's customer base. The three major commute markets in which Pace provides service are defined as being the suburb-to-city, suburb-to-suburb and city-to-suburb (or reverse) commute markets.

The following summarizes each major chapter contained in the plan:

### THE MARKET

Eighty percent of Pace's customers use the service to get to work. During the 1990's, the City lost .3% of its population, but added .8% to its employment base; meanwhile, the suburbs grew 7.5% in population and suburban employment increased 14.3%. This shift in population and employment has resulted in changes in commute patterns which requires Pace to reevaluate the way we provide service. Based on volume, the largest commute market in the region is now the suburb-to-suburb market which, at 1.9 million a.m. work trips, is nearly the size of the remaining markets (suburb-to-city, city-to-suburb and city-to-city) combined

### THE CUSTOMER

Recent market research reveals marketable differences between Pace customers in each major commute market. Customers in the suburb-to-city market are less transit dependent, earn higher incomes,

are more likely to own a home, be married, and have been a Pace customer longer than customers in the suburb-to-suburb or city-to-suburb markets. Our customer base is 56% female, 44% male, with little variance by market. Our largest minority population market (47% African American) is in the city-to-suburb market. Our suburb-to-city customers commute the longest distances and have the longest travel times of any Pace commuter group. A large proportion of our customers also use the CTA (48%) and Metra (13%) on a regular basis. A significant number (6%) also use autos or vans in addition to using Pace.

Our customers are very loyal with an average retention period of 5.5 years. The main reasons for leaving Pace are related to the purchase of a car, moving or switching jobs. Pace receives high overall marks for its service, with 87% of daily riders indicating they are satisfied or very satisfied with Pace service. Non-users also rated Pace fairly well at 7.10 on a scale from 1 to 10. Customers in each market place different levels of importance and satisfaction on the various aspects of Pace service, with suburb-to-city customers being more concerned with buses running on time, and less concerned with personal safety at stops; city-to-suburb commuters being more concerned with personal safety than our

other customers. Pace continues to improve services and facilities based on this customer input.

### THE COMPETITION

Automobiles command 80% of the journey-to-work commute market. The lowest share, 71%, is in the suburb-to-city market, and the highest, 95%, is in the suburb-to-suburb market. Autos actually gained market share from transit in the suburb-to-city market.

According to our 1999 Non-User Study, auto commute costs are perceived to be about equal to transit costs by auto commuters. Auto commuters typically underestimate their commute costs considering only fuel and parking, they often view ownership costs as being fixed and independent of their commute cost. Auto travel times are less than half that of transit in the suburb-to-suburb and city-to-suburb markets and are comparable in the suburb-to-city market. Ninety-three percent (93%) of suburban households own at least one car, while 34% of City households do not have a car. Less than half (45%) of Pace customers do not have a car available (captive), while 55% do have a car and choose Pace for other reasons. Our highest captive market is in the suburb-to-suburb market at 57%, our lowest captive share is in the suburb-to-city market at 26%.

## THE SERVICE

Pace offers a mix of service options to meet the changing needs of the region. Using a variety of vehicle types, Pace offers traditional fixed route services, train feeder services, express routes, subscription services, vanpool services, and paratransit services.

### Fixed Route Services

The majority (71%) of Pace's fixed route ridership is earned by our CTA connector services. The connectors group is our best performing with many routes serving all three markets. These routes carry more passengers in each market than any other route category. Evaluated in terms of subsidy per trip and average daily ridership, our CTA connectors are our best performers in the suburb-to-city market; the feeder route category contains the poorer performers in this market.

Our CTA connectors carrying suburb-to-suburb passengers perform well. Similarly, in the city-to-suburb market, the best performing routes also serve the inbound market, while the least effective routes serve only the reverse market.

Ninety-three percent of Pace riders are earned on fixed route services. Our top 25 fixed routes carry 49% of our ridership.

### Subscription Bus Service

Subscription service is subject to limited opportunities largely a function of employer relocations. Subscription routes tend to have limited lifetimes of five to six years.

### Vanpool Program

Pace began its Vanpool Incentive Program (VIP) in 1991 and now has the second largest public vanpool program in the United States. The ADvAntage program grew out of the VIP concept with vanpools designed to assist employees and workshops serving persons with disabilities. Shuttle vanpools give employers a convenient way to transport employees between work sites or between a work site and a rail station or park-n-ride facility. Seventy-eight percent (78%) of our vanpools are in the suburb-to-suburb market, and the remaining 22% are divided between city-to-suburb market (21%) and the suburb-to-city market (1%). Vanpool performs well in all markets and does not appear to be dependent on employer relocations.

## MARKETING STRATEGIES

An assessment of Pace's position in each market reveals our strongest competitive position is in the suburb-to-city market. While the suburb-to-suburb and city-to-suburb markets exhibit greater growth potential, they are more difficult to serve cost-effectively. The guiding strategy for each market is identified as follows:

### Suburb-to-City

Become more focused on efficient elements, eliminate low productivity elements, reinvest in high-potential services.

### Suburb-to-Suburb

Extend and develop suburb-to-suburb commute options where productivity is good, lower the cost of service via capital investment or direct operation, heavily promote low cost, high recovery services such as vanpool.

### City-to-Suburb

Build reverse commute elements of CTA connectors and multiple market routes. Market fixed route (reverse connections) to CTA. Identify more efficient service opportunities such as express bus, subscription bus and vanpools with City origins.

These strategies are further developed via an advertising plan that focuses on increasing ridership and the farebox recovery rate. The Strategic Plan and Comprehensive Operating Plan and Vision 2020 Plan are used to identify programs for promotional efforts. Strategies for increasing ridership and recovery rates in each market are too numerous to summarize here, but generally center around increasing existing customer retention and utilization and attracting new customers.

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## 2001 Operating Budget

### SUMMARY

The RTA Board of Directors on September 15, 2000 established Pace's 2001 funding level at \$75,002,000 for operations and a farebox recovery ratio of 40.0%. The RTA farebox recovery level will require Pace to increase system generated revenues by \$4.0 million or nearly 10% over 2000 levels. Pace was able to achieve a 40% recovery rate in 2000 largely due to a one time insurance transaction which generated \$1.9 million in income.

In an effort to meet the 40% requirement and to avoid having to raise fares systemwide, the Pace Board directed staff to incorporate several new services and funding initiatives in the 2001 budget. These initiatives consist of three elements, services in Schaumburg and Downers Grove and increased local governmental financial support. They are budgeted to generate \$2.3 million in additional operating income in 2001. Should they be unsuccessful, the Pace Board will reconsider raising fares sometime in 2001.

In addition to these initiatives, additional revenue necessary to achieve the 40% recovery rate will be generated by an increase in the ADA paratransit fare to \$2.50/\$2.20; additional subsidy from Niles and the Dial-a-Ride program sponsors; increased ridership income; and growth in advertising revenues.

Expense growth has been constrained to 3.2% (excluding the new initiatives) by reductions in administrative staff and tight cost control on both labor and non-labor accounts.

**Table 5. 2001 Operating Budget Summary (000's)**

	1999 Actual	2000 Estimate	2001 Budget
Total Operating Expense	\$ 113,570	\$ 119,771	\$ 125,052
Less: System-Generated Revenue	42,137	46,048	50,019
Loss Portfolio Transaction	0	1,939	0
Funding Requirement	\$ 71,433	\$ 71,784	\$ 75,033
Less: RTA Funding for Operations	\$ 70,482	\$ 71,772	\$ 75,002
Congestion Mitigation (CMAQ)	1,650	431	132
Other Federal Funding	202	0	0
Surplus/(Deficit)	\$ 901	\$ 419	\$ 101
System Recovery	37.1%	40.0%	40.0%

## Source of Funds

Pace relies on two major sources of funding: operating revenues and public funding provided by the RTA. Public funding is made up of two major components: sales tax, and the state subsidy provided via the public transportation fund (PTF).

### SALES TAX

Section 4.03(e) of the Amended RTA Act allows the RTA to impose a 1% sales tax in Will, Kane, Lake, DuPage and McHenry Counties. Section 4.01(d) of the Act specifies the distribution of sales tax receipts to the Service Boards and RTA as shown on Table 6.

Pace expects to receive \$72,228,000 in sales tax revenues in 2001. This represents approximately 10.8% of the total RTA region's estimated receipt of \$669 million which, based on Illinois Bureau of the Budget estimates, represents a 4.0% increase over estimated 2000 levels.

### Sales Tax Trends

Sales tax receipts have rebounded from the 1991 recession and have shown growth in excess of inflation through 1999. This trend is also projected to continue into the outlying years of this plan. The RTA contracts with the WEFA Group, an economic consulting firm, for the preparation of sales tax forecasts. The WEFA long range forecasts are then adjusted to incorporate the State Bureau of the Budget forecast for the coming year.

Table 7 summarizes historical and forecast sales tax growth through 2003.

### PUBLIC TRANSPORTATION FUND (PTF)

Section 4.09 of the Amended RTA Act establishes a Public Transportation Fund in the State Treasury. The PTF is to be funded by transfers from the General Revenue Fund, and all funds in the PTF

are to be allocated and paid to the RTA, provided it meets the budgeting and financial requirements as set forth in the Act. The amount transferred to the fund equals 25% of the net revenue realized from the sales tax. The RTA allocates PTF revenues to the Service Boards on the basis of need for both capital and operating purposes. For 2001, the RTA will allocate an estimated \$2,774,000 in PTF funds to Pace for operating purposes.

**Table 6. Allocation of Sales Tax Receipts**

	RTA	CTA	Metra	Pace
Chicago	15%	85%	—	—
Suburban Cook	15%	(30%)	55%	15% of remaining 85%
Collar Counties	15%	(—)	70%	30% of remaining 85%

**Table 7. Regional Sales Tax Trend (000's)**

	Amount	% of Change
1988	\$ 418,752	8.4%
1989	\$ 429,988	2.7%
1990	\$ 444,110	3.2%
1991	\$ 425,891	(4.3%)
1992	\$ 445,891	4.8%
1993	\$ 462,393	3.7%
1994	\$ 497,698	7.6%
1995	\$ 513,304	3.1%
1996	\$ 532,304	3.7%
1997	\$ 555,496	4.4%
1998	\$ 576,704	3.8%
1999	\$ 613,514	6.4%
2000E	\$ 643,000	4.8%
2001E	\$ 669,000	4.0%
2002E	\$ 705,109	5.4%
2003E	\$ 738,238	4.7%



#### PTF Trend

PTF funding for the region is directly correlated to sales tax receipts and has grown similarly. However, unlike the sales tax allocation which is established by the RTA Act, PTF is allocated at the discretion of the RTA. In general, RTA has reduced PTF allocations to Pace over time as sales tax growth has covered a larger portion of the operating requirement.

#### FEDERAL GRANTS

Beginning in the latter half of 1996, and continuing into 2001, Pace will receive a Federal Congestion Mitigation/Air Quality (CMAQ) program award to implement and maintain various new services throughout the region.

The CMAQ funding for new services is only available for the first three years of operation, after which time it is expected that funding would have to come from traditional local operating sources.

#### OPERATING REVENUES

Pace is budgeting for \$50,019,000 in operating revenues in 2001, an increase of 4.2% over estimated 2000 levels. The increase in operating revenue includes numerous actions that are being implemented in order to meet the 40% recovery requirement. Base farebox revenue is expected to increase nearly 2% from a near equal projected growth in ridership.

Traditional ridership and revenue growth from continued expansions of the vanpool and ADA paratransit programs have also been included in the 2001 revenue growth. Advertising and investment income will also contribute to the growth in next year's income. However, operating income will also grow in 2001 from several new initiatives: the addition of the Grove Commuter Shuttle operated by the Village of Downers Grove which feeds passengers to the Metra/Burlington Northern rail stations will add new revenues to the Pace budget. A new initiative with Schaumburg to provide a shoppers' shuttle service in the Woodfield area will bring new income to the budget. And, Pace also plans to work with local governments in order to acquire needed revenues to further support Pace's effort to meet the RTA's 40% recovery requirement.

In addition to the new initiatives, Pace will also raise certain fares at the beginning of 2001 (specifically the ADA fares), and will keep the option open for a mid-year fixed route fare increase, in the event the new initiatives are not successful. For 2001, Pace will also require a minimum 40% recovery requirement for the two remaining municipal public contract carriers (Highland Park and Niles)



*A "wrapped" bus serves the Northwest Transportation Center in Schaumburg. Advertising on Pace buses provides \$2.3 million in revenue to the Pace system.*

and the formula for subsidizing Dial-a-Ride service will be changed lowering Pace's funding levels for projects funded on a per-ride basis from the current \$2.50 to \$2.25 per trip.

All of these efforts will be needed in order to reach the 40% recovery requirement. Further trends for operating revenues are discussed in the three year financial plan section.

## Use of Funds

All funds received by Pace are used to provide, expand and support suburban bus services. The components of the 2001 Operating Program are fixed route carriers (Pace-owned, public contract and private contract carriers), dial-a-ride services, ADA paratransit services, CMAQ services, vanpool, administration, centralized support expenses which include insurance and fuel, and new service initiatives in Schaumburg and Downers Grove.



*Pace has been successful with services like the popular "Gurnee Mills" service.*

### **PACE-OWNED SERVICES**

Pace is responsible for the direct operation of nine carriers in the six county region. Together, these divisions—North, North Shore, Northwest, South, Southwest, West, Fox Valley, River, and Heritage—carry 83% of the total suburban bus ridership. Pace expects to provide \$58,336,000 for expenses to these carriers in 2001. Further information on the Pace-owned services budget can be found on page 32.

### **PUBLIC CONTRACTED SERVICES**

Pace will contract directly with two municipalities (Niles and Highland Park) for additional fixed route services. These services are expected to cost an estimated \$1,911,000 in 2001. Further information on the public contracted services budget can be found on page 33.

### **PRIVATE CONTRACT SERVICES**

Pace provides service to more than 51 communities by directly contracting with five private transit companies. Pace expects to fund a total cost of \$8,211,000 for these services in 2001. Further information on the private contract services can be found on page 34.

### **DIAL-A-RIDE SERVICES**

Pace subsidizes 52 dial-a-ride service projects throughout the six county region. Generally, these services are operated by townships or local municipalities under contract with Pace. Pace provides partial funding to these services, requiring the local government to support a portion of the net service cost based upon a formula applied to the total service cost. In 2001, Pace plans to expend \$10,438,000 for these services. Further information on the Dial-a-Ride services budget can be found on page 35.

#### **ADA PARATRANSIT SERVICES**

In compliance with Pace's ADA plan to serve persons with disabilities, the program continues to grow. Pace's cost for these services is expected to reach \$9,702,000 in 2001. Further information on the ADA paratransit services budget can be found on page 36.

#### **CMAQ SERVICES**

Pace began initiating new fixed route services in late 1996 and throughout 1997 in accordance with a Congestion Mitigation/Air Quality (CMAQ) program award provided by the federal government. Continuing to maintain the program, Pace will spend \$1,661,000 for these new services in 2001. Further information on the CMAQ services program budget can be found on page 37.

#### **VANPOOL**

The 2001 budget for vanpool services contains \$2,070,000. This program is targeted specifically at the short and intermediate range work-trip market where the majority of peak period travel occurs. The program has also been expanded to provide a transit alternative to individuals with disabilities who commute on a regular basis to work sites or rehabilitative workshops. The formation of vanpools has been very popular and the demand continues to grow. Pace expects further expansion of this program to 359 vans in

service by the end of 2001. Pace's vanpool program continues to maintain a very high recovery rate at 95.9%. Further information on the vanpool services budget can be found on page 38.

#### **CENTRALIZED SUPPORT, INSURANCE AND FUEL**

Pace provides a variety of direct operational support items through a centralized support program. Pace has been able to save money by buying in bulk and consolidating services. In total, Pace plans to spend \$19,099,000 to provide fuel, insurance and other support items in 2001. Further detail on the centralized support program budget is contained on page 40.

#### **ADMINISTRATION**

In order to accomplish the duties of direct operational support, service planning, capital planning, financial control and MIS support, Pace's 2001 administrative budget is set at \$12,224,000. Further information on the administration budget can be found on page 41.

#### **SCHAUMBURG SHUTTLE SERVICE (NEW INITIATIVE)**

A new shoppers' shuttle service is planned for the Woodfield area starting in 2001. The cost of this service is estimated at \$800,000 and will be funded 100% by Schaumburg.



*Pace's vanpool program has become a popular transit alternative for commuters. 359 vans are expected to be in operation by 2001.*

#### **DOWNERS GROVE COMMUTER SHUTTLE (NEW INITIATIVE)**

The Village of Downers Grove operates the Grove Commuter Shuttle, feeding passengers to the Metra/Burlington Northern rail station in Downers Grove. This service will be included in Pace's budget for 2001 at a cost of \$600,000.

**Chart K. Sources of Funds**



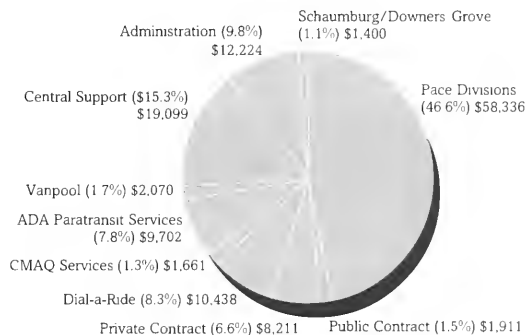
*Next to sales taxes, passenger revenues are Pace's largest income source.*

**Table 8. 2001 Revenue Summary (000's)**

	1999 Actual	2000 Estimate	2001 Budget
<b>OPERATING REVENUES</b>			
Pace-Owned Services	\$ 24,764	\$ 26,343	\$ 26,968
Public Contracted Services	638	634	786
Private Contracted Services	2,699	2,572	2,535
Dial-A-Ride Services	5,328	5,611	5,903
ADA Paratransit Service	749	788	1,037
CMAQ Services	397	403	411
Vanpool Program	1,747	1,837	1,986
Halt-fare Reimbursement	1,646	3,655	3,655
Investment/Other Revenue	1,665	1,555	1,638
Advertising Revenue	2,004	2,150	2,300
CTA Revenue Reimbursement	500	500	500
Gain on Loss Portfolio	0	1,939	0
Schaumburg Service	0	0	800
Downers Grove Service	0	0	540
Government Subsidies/Fare Increase	0	0	960
<b>Total Operating Revenues</b>	<b>\$ 42,137</b>	<b>\$ 47,987</b>	<b>\$ 50,019</b>
<b>PUBLIC FUNDING</b>			
Sales Tax	\$ 65,992	\$ 69,319	\$ 72,228
Public Transportation Fund	4,490	2,453	2,774
People Mobilizer	8	0	0
Federal CMAQ Funding	1,650	431	132
Welfare-to-Work	202	0	0
<b>Total Public Funding</b>	<b>\$ 72,342</b>	<b>\$ 72,203</b>	<b>\$ 75,134</b>
<b>Total Source of Funds</b>	<b>\$ 114,479</b>	<b>\$ 120,190</b>	<b>\$ 125,153</b>

**Table 9. 2001 Expense Summary (000's)**

	1999 Actual	2000 Estimate	2001 Budget
<b>EXPENSES</b>			
Pace-Owned Services	\$ 54,269	\$ 56,167	\$ 58,336
Public Contracted Services	1,774	1,861	1,911
Private Contracted Services	8,501	8,390	8,211
Dial-A-Ride Services	9,483	9,959	10,438
ADA Paratransit Service	8,107	8,678	9,702
CMAQ Services	2,041	1,632	1,661
Vanpool Program	1,659	1,884	2,070
Centralized Operations	8,871	9,145	9,330
Insurance	3,765	5,100	5,258
Fuel	3,097	4,883	4,511
Administration	12,003	12,072	12,224
Schaumburg Service	0	0	800
Downers Grove Service	0	0	600
<b>Total Expenses</b>	<b>\$ 113,570</b>	<b>\$ 119,771</b>	<b>\$ 125,052</b>
Surplus (Deficit)	\$ 909	\$ 419	\$ 101
<b>Recovery Rate</b>	<b>37.10%</b>	<b>40.07%</b>	<b>40.00%</b>
<b>FUND BALANCE</b>			
Beginning Balance	\$ 5,219	\$ 5,443	\$ 4,825
Surplus/(Deficit)	909	419	101
Less: Obligations/Other	685	1,037	1,242
<b>Ending Balance</b>	<b>\$ 5,443</b>	<b>\$ 4,825</b>	<b>\$ 3,684</b>

**Chart L. Uses of Funds****USES (000's)****TOTAL \$125,052**

*The Pace operating divisions comprise nearly half of the operating budget.*

## 2001 Pace-Owned Carrier Budget

Pace directly operates fixed route service from nine facilities located throughout the six county region. Pace facilities include: Pace Fox Valley in North Aurora, Pace Southwest in Bridgeview, Pace Northwest in Des Plaines, Pace River in Elgin, Pace North Shore in Evanston, Pace Heritage in Joliet, Pace South in Markham, Pace West in Melrose Park and Pace North in Waukegan. Together these facilities provide service to approximately 91% of the system's fixed route riders and account for 83% of total system ridership.



*The Pace North Division garage in Waukegan serves the Lake County area*

In 2001, Pace will spend \$31.4 million to provide service at these locations. This represents a 5.2% increase over estimated 2000 levels.

System revenue is projected to increase 2.4% over the 2000 estimate, with a growth projected in ridership of 2.2%, to 33.6 million riders in 2001.

Total operating expenses will grow 3.9% over 2000 levels as Pace divisions continue to absorb transfers of service from several private contractors.

Recovery performance will decline slightly for 2001 as expenses will grow at a greater rate than revenue.

The budget for Pace carriers is summarized on the table below.

### 2001 GOALS

2001 goals include reaching 33.6 million rides with a minimum recovery ratio of 46.22%.

Additional information on the Pace Operating Division budget is provided in Appendix A.

**Table 10. Budget Summary—Pace Owned Carriers (000's)**

	1999 Actual	2000 Estimate	2001 Budget
Revenue	\$ 24,764	\$ 26,343	\$ 26,968
Expenses			
Operations	\$ 38,742	\$ 40,665	\$ 41,908
Maintenance	10,267	10,332	10,973
Non-Vehicle Maintenance	1,750	1,734	1,798
General Administration	3,510	3,436	3,658
Total Expenses	\$ 54,269	\$ 56,167	\$ 58,337
Funding Requirement	\$ 29,505	\$ 29,824	\$ 31,369
Recovery Rate	45.63%	46.90%	46.22%
Ridership	33,412	32,832	33,559

## 2001 Public Contracted Service Budget

Pace will contract with two municipalities—Highland Park and Niles to provide fixed route bus service in their areas in 2001. Service costs for Melrose Park, which are reflected under this category through the end of 2000, will be handled under a different agreement in 2001.

Recovery performance has been declining over recent years for these services and Pace can no longer maintain this trend and meet a systemwide 40% recovery rate. Therefore, beginning in 2001, Pace has imposed a local share requirement on these services which will keep recovery

performance at a 40% minimum. The local share requirement accounts for a 24% increase in total revenue for these services in 2001.

Total expenses are projected to grow by \$50,000 or 2.7% over the estimate for 2000. This increase reflects inflationary growth including the rising costs for health care.

### 2001 GOALS

2001 goals include achieving a 41.13% recovery ratio, while maintaining current ridership levels at 997,000 riders.

Detailed information for the Public Contract Service budget is provided in Appendix A.

**Table 11. Budget Summary—Public Owned Carriers (000's)**

	1999 Actual	2000 Estimate	2001 Budget
Revenue			
Fares	\$ 638	\$ 634	\$ 653
Local Share	0	0	133
Total Revenue	\$ 638	\$ 634	\$ 786
Expenses			
Operations	\$ 1,338	\$ 1,322	\$ 1,316
Maintenance	370	359	376
Non-Vehicle Maintenance	0	0	0
General Administration	66	180	219
Total Expenses	\$ 1,774	\$ 1,861	\$ 1,911
Funding Requirement	\$ 1,136	\$ 1,227	\$ 1,125
Recovery Rate	35.96%	34.07%	41.13%
Ridership	1,013	997	997



*Pace contracts with Highland Park to provide local service as well as seasonal service for the Ravinia Festival.*

## 2001 Private Contract Carrier Budget

In 2001, Pace will contract directly with five private transit providers for fixed route service in 51 different communities.

The net cost of providing contracted service in 2001 will decline \$142,000 from the 2000 estimate. This decline is not reflective of lower costs, but a reduction in contracted service levels during the past several years as it has become more cost effective for Pace to directly operate several of these services out of Pace divisions. Pace divisions have assumed several services in 1999 and 2000 as bid

prices for contracted service have reflected significant price increases attributed to rising labor costs, fringe benefits, and general operating costs, including the most recent rise in fuel prices. The 2001 budget reflects the most recent assumption of the South Suburban Express service which will be operated out of the Pace South Division garage.

Private contractors doing business with Pace include:  
Colonial Coach Lines  
Keeshin Charter Service  
Laidlaw  
Mid-America Coach

Ryder Student Transportation

The budget for private contracted services is summarized on the following table.

### 2001 GOALS

The goals for 2001 include providing 2.4 million rides with a minimum recovery ratio of 30.87%.



Contracting with a private provider, Pace serves the Sears/Prairie Stone development in Hoffman Estates

**Table 12. Budget Summary—Private Contract Carriers (000's)**

	1999 Actual	2000 Estimate	2001 Budget
Revenue	\$ 2,699	\$ 2,572	\$ 2,535
Operating Expenses	8,501	8,390	8,211
Funding Requirement	\$ 5,802	\$ 5,818	\$ 5,676
Recovery Rate	31.75%	30.66%	30.87%
Ridership	2,532	2,412	2,389



## 2001 Dial-a-Ride Services Budget

Dial-a-Ride service is available in a large portion of the Pace service area (reference Map 2, page 5). Nearly all service is provided with Pace-owned paratransit vehicles.

Pace contracts directly with private providers for the operation of 20 Dial-a-Ride projects. The communities served continue to provide financial support for these projects through "local share agreements" with Pace. Pace now receives funding to help cover a portion of Dial-a-Ride service costs through 37 local share agreements.

Pace has maintained grant agreements with villages and townships for the operation of 30 other Dial-a-Ride projects. In most cases, the local community operates the service. For 2001, Pace's funding formula for grant agreements is based on providing a subsidy of \$2.25 per trip or 75% of deficit, whichever is less (\$2.25/75%).

The budget shown in Table 13 is based on the \$2.25/75% subsidy formula and will provide for over \$10.4 million in Dial-a-Ride service throughout the six county region. Total costs are up 4.8% in 2001, as costs of renewal for several private contracts are expected to exceed the 2.6% rate of inflation. Dial-a-Ride ridership is projected to remain relatively stable in 2001.

Dial-a-Ride service costs are summarized on the following table.

### 2001 GOALS

2001 goals for the Dial-a-Ride program include carrying 1,198,000 passengers at a recovery rate of no less than 56.55%.

**Table 13. Budget Summary—Dial-a-Ride Services (000's)**

	1999 Actual	2000 Estimate	2001 Budget
Revenue			
Fares	\$ 1,036	\$ 1,027	\$ 1,044
Local Share	4,292	4,584	4,859
Total Revenue	\$ 5,328	\$ 5,611	\$ 5,903
Expenses			
Operations	\$ 8,270	\$ 8,633	\$ 9,073
Maintenance	551	620	638
Administration	662	706	727
Total Expenses	\$ 9,483	\$ 9,958	\$ 10,438
Funding Requirement	4,155	4,347	4,535
Recovery Ratio	56.18%	56.35%	56.55%
Ridership	1,192	1,178	1,198

## 2001 ADA Paratransit Services Budget

In compliance with the Americans with Disabilities Act (ADA), Pace submitted a plan for the provision of complementary paratransit service to the Federal Transit Administration (FTA) in January, 1992.



*Pace will provide 415,000 ADA paratransit trips in 2001*

The plan was updated annually in accordance with FTA requirements each January until Pace achieved compliance in January, 1997. The ADA service area is depicted on Map 3 (page 6).

In 2000, Pace will provide \$8.7 million in ADA service and carry 403,000 riders. Recovery performance for ADA service is low at 9.08%. Demand for Pace's ADA paratransit service continues to grow as ridership is estimated to finish 2000 up 2.5% over 1999 levels. Growth in demand is expected to continue into 2001.

In 2001, Pace will expand the ADA budget to \$9.7 million carrying 415,000 riders. Recovery performance is projected to improve due to the proposed fare increase for January 2001. Pace's ADA paratransit fare will rise from the present \$2.00 to \$2.50 and \$2.20 depending on the service area. The increase in revenue will partly offset the cost of the expansion of the program. Details of the ADA budget are summarized in the table below.

### 2001 GOALS

2001 goals for the ADA paratransit program include carrying 415,000 passengers and achieving a recovery rate of 10.68%.

**Table 14. Budget Summary—ADA Paratransit Services (000's)**

	1999 Actual	2000 Estimate	2001 Budget
Revenue	\$ 749	\$ 788	\$ 1,037
Expenses	8,107	8,678	9,702
Funding Requirement	\$ 7,358	\$ 7,890	\$ 8,665
Recovery Ratio	9.23%	9.08%	10.68%
Ridership	393	403	415

## 2001 CMAQ Service

In June, 1996, Pace received a Federal Congestion Mitigation/Air Quality (CMAQ) program award to cover the costs associated with the start-up and implementation of several new services in the Pace six county region. Upon receipt of this award, Pace immediately began implementing several of the proposed services.

The CMAQ program is comprised of both fixed route and express bus new initiatives titled the Fast Plus Bus Service element and the Express Bus Demonstration element, respectively. All elements of the program have now been implemented. However, funds for the Express Bus element will be exhausted in 2000. Pace expects to receive only \$431,000 of the \$1.2 million funding requirement. The decline in costs from 1999 to 2000 is the result of elimination of several of the services that were not meeting performance criteria that applies to evaluation of all other Pace service.

The CMAQ funded program will provide only \$132,000 of the \$1.2 million funding need for this service in 2001. The unfunded element of the program will be absorbed into the base budget. The service will continue to generate an estimated 420,000 riders and produce \$411,000 in revenue.

The 2001 budget for this program is highlighted in the table below.

### 2001 GOALS

The goals for this program in 2001 include maintaining full service elements provided that these services meet performance criteria, producing 420,000 riders for Pace, and achieving a 24.74% recovery ratio.

**Table 15. Budget Summary—CMAQ Services (000's)**

	1999 Actual	2000 Estimate	2001 Budget
Revenue	\$ 397	\$ 403	\$ 411
Expenses	2,041	1,632	1,661
Funding Requirement	\$ 1,644	\$ 1,229	\$ 1,250
Recovery Ratio	19.45%	24.69%	24.74%
Ridership	408	413	420

## 2001 Vanpool

The vanpool program is a commuting option which provides passenger vans to small groups, 5 to 15 people, allowing them to commute to and from work together. The program continues to grow, with 321 vans currently in use. Pace estimates to have 335 vans in service by

year-end 2000 and projects to increase the number of vans to 359 by the end of 2001. The vanpool program will carry 1.3 million riders in 2001. Revenue will increase by 8% while expenses are expected to increase 9.9% over 2000 levels.

Pace's vanpool program is comprised of three elements: the Vanpool Incentive Program (VIP), the corporate shuttle bus, and the ADvAntage program, all of which are detailed below.



*Pace's successful Vanpool Incentive Program (VIP) offers commuters a transit alternative in the suburban market*

The budget for the total vanpool program is summarized on the following table. A chart showing the fare structure is

also presented on the following page. Fares are dependent upon trip length and number of riders.

**Table 16. Vanpool Budget (000's)**

	1999 Actual	2000 Estimate	2001 Budget
<b>REVENUE</b>			
VIP	\$ 1,274	\$ 1,049	\$ 1,126
Corporate Shuttle	N/A	294	365
ADvAntage	473	494	494
Total Revenue	\$ 1,747	\$ 1,837	\$ 1,985
<b>EXPENSE</b>			
VIP	\$ 1,109	\$ 942	\$ 1,053
Corporate Shuttle	N/A	208	259
ADvAntage	550	734	758
Total Expenses	\$ 1,659	\$ 1,884	\$ 2,070
Funding Requirement	\$ (88)	\$ 47	\$ 85
<b>RECOVERY RATE</b>			
VIP	114.9%	111.4%	106.9%
Corporate Shuttle	N/A	141.3%	140.9%
ADvAntage	86.0%	67.3%	65.2%
Total Recovery Rate	105.3%	97.5%	95.9%
<b>RIDERSHIP</b>			
VIP	739	636	682
Corporate Shuttle	N/A	143	178
ADvAntage	483	507	507
Total Ridership	1,222	1,286	1,367
Vans in Service (year-end) - VIP	154	165	180
Vans in Service (year-end) - Corporate	37	38	47
Vans in Service (year-end) - ADvAntage	121	132	132
Total Vans in Service	312	335	359

#### VANPOOL INCENTIVE PROGRAM (VIP)

The VIP service is the core element of the program and is projected to achieve a ridership level of 682,000 with 180 vans in service by the end of 2001. The 2001 budgeted revenue and expenses are projected to increase a respective 7.3% and 11.8% over 2000 levels. As in previous years, the recovery performance is expected to exceed the 100% mark, offsetting the lower rate expected from the ADvAntage element.

Another element of the vanpool program is the Corporate Shuttle Program which began in 1997 and is now being monitored separately. This program provides vans to suburban employers to shuttle employees to and from nearby transit connections with CTA, Metra and Pace facilities. In addition, this program has been expanded to support the region's Welfare-to-Work efforts. Pace van shuttles are used by various agencies to take former welfare recipients to jobs. Currently, there are thirty-three (33) vans operating under the shuttle program and Pace expects more interest as employers are made aware of this program.

#### ADVANTAGE PROGRAM

In 1994, Pace expanded the vanpool program to include the ADvAntage element. ADvAntage is intended to provide a transit alternative to individuals with disabilities that commute on a regular basis to work sites or rehabilitative workshops. It is an alternative to those unable to use the regular ADA paratransit service or those living outside the 3/4 mile service area. In 2001, this element is projected to remain constant at 2000 levels. The recovery rate for the ADvAntage program is budgeted at 65.2% in 2001.

#### 2001 GOALS

2001 goals for the entire Vanpool Program include carrying 1,367,000 passengers at a 95.9% recovery rate and increasing the number of vans in service to 359 by the end of 2001.

**Chart M. Monthly VIP and Other Vanpool Services Fare Schedule**

Daily Round Trip Van Miles	4 Pass*	5-6 Pass*	7-8 Pass*	9-10 Pass*	11-12 Pass*	13-14 Pass*
1-20 Miles	\$ 82	\$ 72	\$ 60	\$ 50	\$ 50	\$ 50
21-30 Miles	\$ 86	\$ 76	\$ 64	\$ 52	\$ 50	\$ 50
31-40 Miles	\$ 90	\$ 80	\$ 69	\$ 55	\$ 50	\$ 50
41-50 Miles	\$ 95	\$ 84	\$ 72	\$ 58	\$ 50	\$ 50
51-60 Miles	\$ 99	\$ 88	\$ 76	\$ 61	\$ 52	\$ 50
61-70 Miles	\$103	\$ 92	\$ 79	\$ 63	\$ 54	\$ 50
71-80 Miles	\$107	\$ 97	\$ 82	\$ 67	\$ 56	\$ 50
81-90 Miles	\$110	\$100	\$ 85	\$ 70	\$ 58	\$ 50
91-100 Miles	\$113	\$103	\$ 88	\$ 73	\$ 60	\$ 52
101-110 Miles	\$116	\$106	\$ 91	\$ 76	\$ 62	\$ 54
111-120 Miles	\$120	\$109	\$ 94	\$ 79	\$ 64	\$ 56
121-130 Miles	\$123	\$112	\$ 97	\$ 82	\$ 66	\$ 58
131-140 Miles	\$126	\$115	\$100	\$ 85	\$ 68	\$ 60
141-150 Miles	\$129	\$118	\$103	\$ 88	\$ 70	\$ 62
151-160 Miles	\$132	\$121	\$106	\$ 91	\$ 72	\$ 64

\* The van driver is excluded from this passenger/van count

#### Other Vanpool Services

##### ADVANTAGE

ADA Eligible	\$ 325
Non-ADA	\$ 650

##### SHUTTLE/FEEDER

Private (For Profit)	\$ 750
Not-For-Profit	\$ 550

## 2001 Centralized Support Budget

The 2001 centralized support budget of \$19.1 million provides for a total support staff of 82 positions in the bus operations, materials management and facility maintenance areas. The budget includes expenses relating to the procurement of commonly used goods and services by all Pace carriers, including fuel. The centralized support staffing level will be reduced by one position through attrition for 2001.

In 2000, centralized support expense is estimated to end the year 21.6% over 1999 levels. The increase in 2000 costs is the direct result of the rise in fuel prices. Fuel costs in 2000 are expected to end the year 57.7% over prior year levels.

In 2001, Pace will hold the central support budget essentially at 2000 levels. Labor and liability insurance costs will grow, all non-labor costs will be held at or below 2000 levels, and fuel costs are estimated to decline 7.6% from 2000 levels. However, uncertainty in fuel market prices remains a volatile issue facing the Agency for 2001.

Looking at the individual components of the central support budget, operations expense is expected to grow 3.7% over 2000 levels. The operations component is comprised of labor expense for 38 positions that provide support to all operating areas at Pace. Contributing

to the expense growth in this area are rising health care costs which traditionally exceed inflationary levels.

The maintenance area is comprised of 40 positions and includes both maintenance and materials management personnel. Total maintenance expense is projected to increase 1.3% over 2000 levels.

The non-vehicle maintenance area includes four positions which provide support to all building maintenance functions. Total expenses for this category will increase 6.5% due to expansion of the facility and passenger shelter maintenance and repair costs.

The administration portion of the centralized support budget is comprised of numerous items including marketing, revenue collection, farebox maintenance, and Pace's acceptance facility. Cost growth in this area has been constrained wherever possible for 2001.

### 2001 GOALS

2001 budgetary goals for centralized support include holding non-labor expenditures at the level of the 2000 budget and maintaining a staffing level of 82 positions.

Further detail of the following table is provided in Appendix A.

**Table 17. Centralized Support Budget (000's)**

	1999 Actual	2000 Estimate	2001 Budget
Operations	\$ 2,180	\$ 2,201	\$ 2,282
Maintenance	3,801	3,684	3,733
Fuel	3,097	4,883	4,511
Non-Vehicle Maintenance	449	603	642
Administration	2,441	2,656	2,673
Insurance	3,765	5,100	5,258
Total	\$ 15,733	\$ 19,127	\$ 19,099

## 2001 Administrative Budget

The 2001 administrative budget provides for 145 positions at an estimated total cost of \$12.2 million. Pace administration is responsible for managing all of the agency's administrative responsibilities, including accounting, financial and capital assistance programs, marketing, information systems, legal services and risk management. The administrative staffing level will be reduced by six positions through attrition for 2001.

The following table summarizes the two major categories of the administrative budget: Non-Vehicle Maintenance which

represents the operating costs for the headquarters facility and the Administration category. Administration costs include labor, parts and supplies, and other expenses.

In 2000, administrative expense is estimated to end the year \$69,000, or 0.6%, over 1999 levels. The administrative budget will increase slightly (1.3%) from 2000 levels due to the effort to constrain costs to meet funding and recovery requirements.

Non-vehicle maintenance expense will increase 5.8% over 2000 levels and reflects the costs of maintaining the existing headquarters facility.

Labor and fringe benefit costs will grow at 0.5% reflecting a planned staff reduction accomplished through attrition for 2001.

Parts and supply expenditures are expected to decline 1.0% from 2000 levels, while utility expenses are projected to remain unchanged from prior year levels. The remaining expenses (the category "Other") will increase 3.3% from the 2000 estimate.

### 2001 GOALS

2001 budgetary goals for administration include constraining most non-labor expense growth to the level of the 2000 budget and maintaining a reduced staff level at 145 positions.

Further detail on the administrative budget is provided in the following table.



Pace Headquarters Facility in Arlington Heights.

**Table 18. Administrative Budget (000's)**

	1999 Actual	2000 Estimate	2001 Budget
Non-Vehicle Maintenance	\$ 103	\$ 138	\$ 146
General Administration			
Labor/Fringe benefits	8,792	8,246	8,284
Parts/Supplies	221	296	293
Utilities	132	149	150
Other	2,755	3,243	3,351
Total Expenses	\$ 12,003	\$ 12,072	\$ 12,224

## Organizational Overview

The Pace organization is comprised of three primary elements: administration, central support, and Pace-Owned divisions. Within each element, employees are classified into four activity areas of operations, maintenance, non-vehicle maintenance and administration. These activity areas are defined by the Federal Transit Administration's Section 15 reporting requirements which apply to all public transit operators. Since the latter half of 1996, Pace has implemented new CMAQ-funded services which requires additional personnel (shown as a fourth element on Table 19).

The administration element for 2001 is budgeted at 145 filled full-time equivalents (FTE's), a decrease of six positions from estimated 2000 levels. The reduction in FTE's was implemented in order to achieve required budget savings to meet recovery marks. Staff downsizing will be accomplished through attrition.

The central support element is budgeted at 82 filled FTE positions for 2001 and reflects a decrease of one position from estimated 2000 levels.

The Pace division element is comprised of nine Pace division garages and is budgeted at 1,113 filled FTE positions

for 2001, reflecting an increase of six FTE positions over 2000 estimated levels. Increases in FTE's have occurred in 1999, 2000 and 2001 to accommodate increased service levels that have resulted from take-over of several private contract services during these years.

The CMAQ element is budgeted at 30 filled FTE positions for 2001 and represents no change from prior year levels.

Pace underwent a reorganization in the latter half of 1999 and now consists of three main areas: Internal Services, Revenue Services, and Strategic Services. Each area is headed by a Deputy Executive Director who reports to the Executive Director. General Counsel, Internal Audit and Organization Development also report directly to the Executive Director.

Internal Services encompasses all functional areas of administration: human resources, risk management, capital financing, budget planning, finance, information technology, as well as materials and facility management.

Revenue Services oversees the operational and maintenance functions of Pace. These functions include the Pace divisions, safety, maintenance, vanpool and paratransit service areas.

Strategic Services is responsible for external relations, marketing, communications, and planning and strategic functions of the company.

These areas are indicated in detail on the organization chart on page 43.

**Table 19. Full-Time Equivalent Personnel (FTE's)**

### 1999 ACTUAL

Activity	Area:	Administration	Central Support	Pace Divisions	CMAQ	Total
Operations		0	37	836	25	898
Maintenance		0	43	198	5	246
Non-Vehicle Maintenance		0	4	19	0	23
Administration		157	0	37	0	194
Total		157	84	1,090	30	1,361

### 2000 ESTIMATED

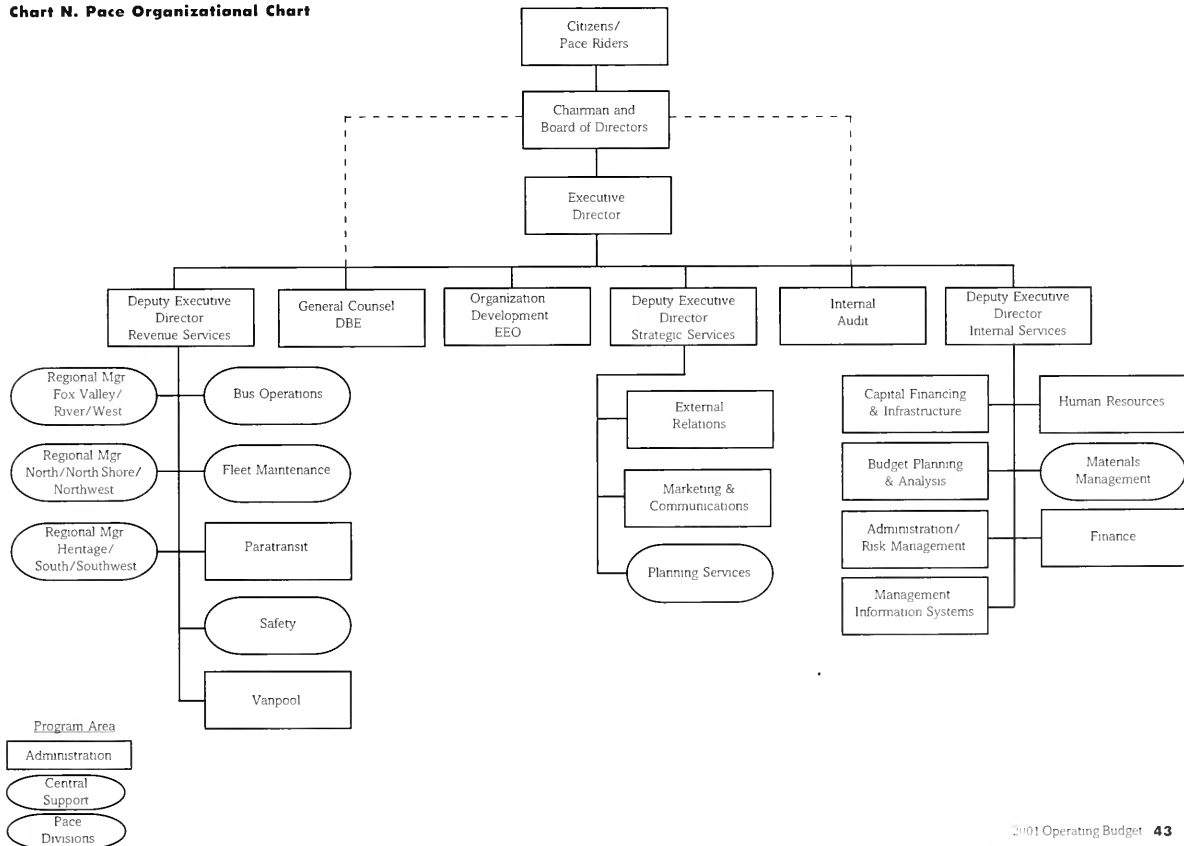
Activity	Area:	Administration	Central Support	Pace Divisions	CMAQ	Total
Operations		0	36	851	25	912
Maintenance		0	43	200	5	248
Non-Vehicle Maintenance		0	4	19	0	23
Administration		151	0	37	0	188
Total		151	83	1,107	30	1,371

### 2001 BUDGET

Activity	Area:	Administration	Central Support	Pace Divisions	CMAQ	Total
Operations		0	38	857	25	920
Maintenance		0	40	201	5	246
Non-Vehicle Maintenance		0	4	19	0	23
Administration		145	0	36	0	181
Total		145	82	1,113	30	1,370



**Chart N. Pace Organizational Chart**





## 2001 Capital Program Budget

### Summary

The 2001 capital program totals \$58.3 million for the existing Pace system. The Regional Transportation Authority (RTA), the Federal Transit Administration (FTA), and the Illinois Department of Transportation (IDOT) are expected to provide \$56.7 million while Pace will commit \$1.6 million from its own funds.

The program contains \$50.1 million for 146 replacement fixed route buses, and 38 replacement paratransit buses, 600 bike racks, extended warranties, associated capital, bus overhaul/maintenance expenses, 90 wheelchair securement upgrades and capital cost of contracting for vanpool services.

Support facilities and equipment totaling \$6.5 million are included in the 2001 program. Projects include improvements to garages, purchase of garage tools and equipment, computers and computer systems, office equipment and non-revenue vehicles.

Stations and passenger facilities total \$.3 for the purchase of solar powered bus stop poles and display cases as well as for the unanticipated capital program.

Lastly, \$1.4 million is programmed for contingencies and project administration.

**Table 20. 2001 Capital Program (000's)**

	Amount
Rolling Stock and Related Systems	\$ 50,100
Support Facilities and Equipment	6,550
Stations and Passenger Facilities/Miscellaneous	300
Contingencies/Project Administration	1,350
Grand Total	\$ 58,300

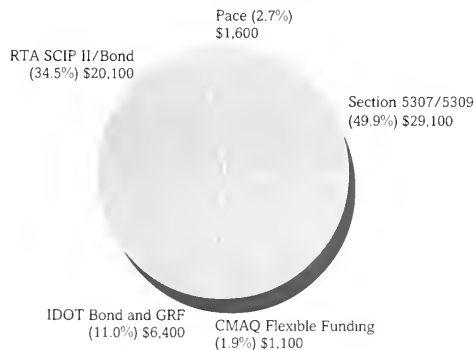


*Pace recently completed a bus lift replacement project at its West Division Garage in Melrose Park*

**Chart O. 2001 Capital Program**

**SOURCES (000's)**

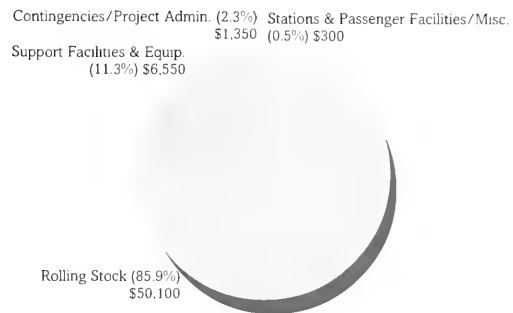
**TOTAL \$58,300**



*Over 50% of Pace's program is funded with Federal funds*

**USES (000's)**

**TOTAL \$58,300**



*Major focus of the 2001 program will be on replacement of Rolling Stock*

## Capital Funding Sources

### FUNDING SOURCES

Each year the RTA is required to issue capital program marks on September 15th which are used to guide the development of upcoming fiscal year's capital program. This program reflects the FY2001—2005 marks passed by the RTA Board, however, we expect additional changes once the federal funding levels pass congressional approval.

### FEDERAL FUNDING

There are three federal sources projected for 2001–2005: 1) Discretionary funds, commonly referred to as Section 5309, which Pace is eligible to receive for bus procurements; 2) Apportionment funds, commonly referred to as Section 5307 which Pace uses for its overall capital needs; and 3) Flexible funds, such as Surface Transportation Program (STP) and Congestion Mitigation and Air Quality (CMAQ) funds which can be used for qualifying transit projects.

The Section 5307 and the Section 5309 Rail Modernization funds are allocated to the Service Boards on a percentage basis by the RTA. Presently, the allocation is 58% to CTA, 34% to Metra, and 8% to Pace. This percentage basis allocation has been in place since 1985. The Section 5309 Bus Funds are discretionary and CTA and Pace compete



*Elk Grove Park-n-Ride lot was completed in September, 1998.*

for a portion of a statewide earmark. It has been recent RTA practice that these funds are considered to be outside the 58%-34%-8% allocation.

#### STATE FUNDING

The State of Illinois Department of Transportation (IDOT) will make two funding sources available to Pace over the next five years. IDOT "B" Bonds will be used for projects with a useful life of more than twelve years and General Revenue Funds (GRF) are used for projects with a useful life of more than one year.

In general, IDOT does not allocate funds to the Service Boards by formula. Rather, they prefer to make funding decisions on the merits of individual projects.

#### RTA FUNDING

The Illinois FIRST Program provides authorization to the RTA to borrow \$1.6 billion for capital improvement projects over a five (5) year period which started in 2000. The RTA funding sources include General Obligation and SCIP Bonds and Discretionary funds. In 2001, Pace is expected to receive 5% of the SCIP Bonds and 8% of the Discretionary funding. The RTA is not expected to allocate the General Obligation Bonds until 2004.

#### PACE FUNDS

Each year Pace is required to use some portion of its own funds to meet its capital needs. In 2001, Pace will need to commit funds to match the bus overhaul/maintenance expenses, extended warranties, unanticipated capital, certain facility improvements and a computer system for DuPage County.



*Pace is currently constructing a new Park-n-Ride facility on Halsted and Ridge Road in Homewood. The facility is expected to be operational in Spring, 2001.*

## 2001 Capital Program Description

In accordance with estimated funding levels, Pace's 2001 annual capital program totals \$58.3 million. Approximately \$50.1 million will be spent on rolling stock and related systems, with the remainder going to support facilities and equipment. Table 21 depicts the program detail. The 2001 Capital Program is summarized as follows:

### ROLLING STOCK (\$50.1 MILLION)

- **Fixed Route Replacement Buses (\$43.1 million)** The program contains funds for the replacement of 146, 1988 and 1990 Onon fixed route buses which have exceeded their useful life. The replacement vehicles will be either 30, 35, or 40 foot buses. The size of the vehicle is pending management review and decision. The program also includes ten power packs for the fixed route buses and inspection services.
- **Paratransit Replacement buses (\$2.4 million)** The program contains funds for the replacement of 38 Paratransit buses which have exceeded their useful life. These funds will be used to purchase 18 van type vehicles and 20 body on chassis buses.
- **Capital Cost of Contracting (\$1.1 million)** The program contains funds for a capital cost of contracting program of up to 100 vans for use in a user side subsidy program. The program will provide federal capital subsidy to private vanpool providers.

- **Bus Overhaul/Maintenance Expenses (\$1.7 million)** The program contains funds to cover reimbursement of up to 20% of operating costs which are incurred for bus maintenance expenses. Under the federal requirements, Pace is eligible to receive up to \$3.3 million; however, RTA has limited this use to those expenses which satisfy the definition of capital in accordance with Generally Accepted Accounting Principles. Given this, Pace can apply for only \$1.7 million.
- **Associated Capital (\$ .7 million)** The program contains funds for the purchase of engines, transmissions, axle assemblies, seats, etc.

- **Extended Warranties (\$ .3 million)** The program contains funds for extended warranties for engines and transmissions.
- **Bike Racks for Fixed Route Buses (\$ .4 million)** The program contains funds for 600 bike racks for the fixed route fleet.
- **Wheelchair Securement Upgrades (\$ .4 million)** The program contains 90 securement upgrades for our fixed route buses. Additional funds will be budgeted in the out years in order to purchase a total of 261.

### Operating Cost Impacts

In general, Pace will avoid operating cost increases by replacing outdated equipment.



*Pace is currently constructing a Park-n-Ride lot in Hillside. The facility is expected to be operational by January, 2001*

**SUPPORT FACILITIES/EQUIPMENT  
(\$6.5 MILLION)**

- Maintenance Equipment/Non Revenue Support Vehicles (\$1.3 million). The program contains funds for the purchase of miscellaneous maintenance equipment, vans and trucks for the operating garages.
- Office Equipment and Furniture (\$1 million). The program contains funds for the purchase of equipment for the garages and Headquarters. An example of the equipment includes office furniture, copiers, and fax machines.
- Computer Databases and Equipment (\$3.3 million). The program contains funds for the purchase of the following new computer systems: A new Employee Time Tracking System which will automate time keeping for employees; a new Enterprise Resource Planning System (ERP system)—funds will be budgeted in 2001 to undertake a consultant assessment to determine the scope for the system and provide cost estimates for the purchase of a complete system. The system will include general ledger, budgeting, budget analysis, accounts payable/receivable, purchasing/receiving, etc. Funds for the purchase of the system will be budgeted in the out years of the capital program. The program also contains funds to purchase an Intelligent Vehicle System (IVS) which will track vanpool vehicle maintenance activities and mileage; a computer system to implement a coordinated transportation

system in DuPage County. Specifically, this computer equipment will include Automatic Vehicle Locators (AVL), Mobile Data Terminals (MDT's), software and radio equipment. Additionally, funds will be programmed for MDT's for Pace's Paratransit System. This project will be used to simplify revenue collection and the units will allow communication with the current dispatch and scheduling system at remote contractor sites. Lastly, hardware and software and other equipment will be purchased to keep Pace's existing computer systems operational.

- Improvement to Garages/Facilities (\$1.8 million). The program contains funds for improvements to garages and other fixed facilities. Examples of projects include replacement of a bus lift at North Division, enlarging the dispatch office at South, converting the drivers washroom "key" access to a Card "Swipe" system at Northwest Transportation Center in Schaumburg, Chicago Heights Bus Turn-around and the Harvey Transportation Center; designing and installing a gas detection demonstration at West Division, overhead door replacements, resurfacing of the parking lot at River Division, roof replacement at Heritage Division, security system upgrades at Northwest and Heritage. Additionally, Pace will contract with a consultant to conduct a building system and equipment condition assessment



*Pace is currently constructing a new paratransit garage in McHenry County. The facility is expected to be operational by Summer, 2001.*

study. Specifically, the consultant will assess the condition of major mechanical equipment and systems, roofs, concrete pavement, etc., and will prepare life cycle cost estimates and timetables for the replacement of these systems over the next five years. Many of our facilities are over ten years old and it is necessary to plan for the replacement of these systems over the next five years. Lastly, the budget contains \$300,000 for the continued repair and replacement of equipment at our fixed facilities, which must be replaced due to failure.

**Operating Cost Impacts**

The improvements to facilities will generally serve to minimize operating cost growth by replacing equipment before it becomes obsolete requiring increased maintenance.

**STATIONS AND PASSENGER  
FACILITIES/MISCELLANEOUS (\$3  
MILLION)**

• Display Cases/Tubular Rotating Display Cases/Solar Powered Bus Stop Poles (\$0.05 million). The program contains funds for display cases which are typically located at shopping centers, demonstration funds for installation of free standing glass display cases and solar powered bus stop poles. The solar powered bus stop pole project involves a test project in which ten bus stop signs will be replaced with Omnilight solar powered lighted bus stop sign poles. Each pole is equipped with a solar powered light on the top of the pole which illuminates both the route sign as well as the area around the pole. The lights are activated by the push of a button and they remain on for 15 minutes. The lights on the poles require no electricity and are vandal resistant

The program also contains funds for Unanticipated Capital items (\$250) which must be purchased in case of emergencies.

**Operating Cost Impacts**

No significant cost impacts are anticipated due to the purchase of this equipment.



*Pace recently completed a new HVAC-Project at its South Division Facility in Markham*

**CONTINGENCIES/PROJECT  
ADMINISTRATION (\$1.4 MILLION)**

• The program contains funds to cover contingencies and project administration. Contingencies are used to cover costs over the budgeted amounts and project administration covers the in-house staff salaries associated with undertaking and completing a capital project. Examples include staff hours associated with preparing bid documents and specifications, and staff hours associated with the administration of the capital grants.



**Table 21. 2001 Capital Program (000's)**

Project Description	Amount
<b>ROLLING STOCK</b>	
Purchase 146 Fixed Route Buses	\$ 43,100
Purchase 38 Paratransit Vehicles	2,400
Capital Cost of Contracting/Commuter Vans	1,125
Purchase Wheelchair Securement Upgrades	450
Purchase Bike Racks for Fixed Route Buses	350
Extended Warranties	325
Bus Overhaul/Maintenance Expense	1,700
Associated Capital	650
Subtotal Rolling Stock	\$ 50,100
<b>SUPPORT FACILITIES &amp; EQUIPMENT</b>	
Maintenance/Support Equipment/Support Vehicles	\$ 1,335
Office Furniture and Equipment	135
Computers/Databases/Computer Systems	1,115
Enterprise Resource Planning System/Design	500
Mobile Data Terminals for Paratransit—Pace	700
DuPage County Paratransit Computer System	1,000
Improvements to Garages/Facilities	1,765
Subtotal Support Facilities and Equipment	\$ 6,550
<b>STATIONS &amp; PASSENGER FACILITIES/MISCELLANEOUS</b>	
Bus Stop Passenger Amenities	\$ 50
Unanticipated Capital	250
Subtotal Stations & Passenger Facilities/Miscellaneous	\$ 300
<b>CONTINGENCIES AND ADMINISTRATION</b>	\$ 1,350
Grand Total	\$ 58,300

*Pace's Blue Island Park-n-Ride was completed in 1996.*



## 2001-2005 Capital Plan

### 2001-2005 Capital Plan Description

Pace's needs for the five year period 2001-2005 are depicted by asset category on Table 22. This totals \$291.5 million.

#### ROLLING STOCK

Pace needs \$163.5 million to purchase rolling stock. The program contains 417 fixed route buses, 124 paratransit buses, and 464 vanpool vehicles. Additionally, the program contains funds for 261 wheelchair securement upgrades, 600 bike racks, capital cost of contracting/commuter vans, extended warranties, associated capital and bus overhaul/maintenance expense.

#### ELECTRICAL/SIGNAL/COMMUNICATIONS

Pace needs \$5.0 million to replace the systemwide fixed route radio system in 2002 after it exceeds its useful life.

#### SUPPORT FACILITIES AND EQUIPMENT

Pace needs \$101.9 million to support its system with facilities and equipment. This includes construction of general improvements and upgrades to garages and passenger facilities, Phase II funding for Pace's Intelligent Bus System (IBS), purchase of major computer systems such as the Enterprise Resource Planning System, Mobile Data Terminals for Paratransit Service, and a computer system for DuPage County farebox enhancements, driver simulators, and ticket vending machines. Additionally,

funds are programmed for the construction of a new paratransit garage in DuPage and Northwest Cook Counties, and garage expansions in Evanston, North Aurora, and Bridgeview. Lastly, Pace needs funds to purchase maintenance equipment, office equipment, furniture, and other miscellaneous equipment.

#### STATIONS AND PASSENGER FACILITIES/MISCELLANEOUS

Pace needs \$15.8 million to construct park-n-ride lots and passenger facilities to support its existing system. A new Strategic Plan and Comprehensive Operating Plan are underway at present which

will identify the specific needs of the Agency. The current needs for fixed facilities to support its existing system total more than \$5.5 million. This includes a new transfer facility at the UPS center in Hodgkins. Additionally, \$3.2 million is needed to expand its existing system into new markets. Lastly, funds are necessary to continue our sign/shelter and other passenger amenities' programs.

#### CONTINGENCIES/PROJECT ADMINISTRATION

Pace needs \$5.3 million for contingencies and project administration.



*Pace completed a \$1.2 million dollar roof project at its West Division garage in Melrose Park.*

## 2001–2005 Capital Needs Summary

Each year, the RTA requires the Service Boards to prepare a budget which ties to the estimated marks released by the RTA. This totals \$291.5 million.

Highlights of the Five-Year Capital Program include:

- Purchase of 417 accessible fixed route buses
- Purchase 124 paratransit buses
- Purchase 464 vanpool vehicles
- 261 wheelchair securement upgrades for fixed route buses
- 600 bike racks for fixed route buses
- Capital cost of contracting/commuter vans
- Construct a new transfer facility at the Hodgkins UPS facility
- Expand existing garages at Evanston, Bridgeview and North Aurora
- Construct new Northwest Cook garage
- Construct new DuPage County paratransit garage
- Construct new park and ride lots and transportation centers
- Replace (systemwide) radio system
- Improve garages and other fixed facilities
- Maintenance/support equipment
- Associated capital/maintenance expense reimbursement
- Office equipment and furniture
- Computer equipment
- Signs and shelters/passenger amenities

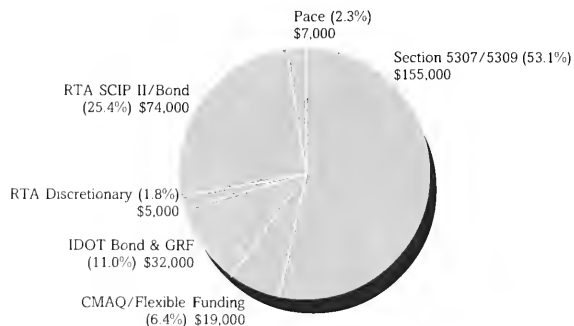


*Pace recently completed a new dispatch office at its Heritage Division garage in Joliet*

**Chart P. 2001–2005 Capital Plan—Sources and Uses of Funds**

**SOURCES (000's)**

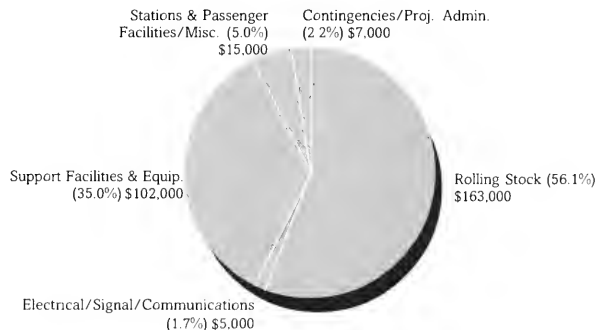
**TOTAL \$292,000**



*Nearly 60% of Pace's Program is funded with Federal funds*

**USES (000's)**

**TOTAL \$292,000**



*Nearly 60% of Pace's Program is for the purchase of rolling stock*

**Table 22. Capital Plan 2001–2005 (000's)**

Project Description	2001 Amount	Quantity	2002–2005 Total	Quantity	Total 2001–05
<b>ROLLING STOCK</b>					
Purchase 417 Fixed Route Buses	\$ 43,070	146	\$ 78,590	271	\$ 121,660
Purchase 261 Wheelchair Securement Upgrades for Fixed Route Buses	450	90	850	171	1,300
Purchase 600 Bike Racks for Fixed Route Buses	330	600	0		330
Purchase 124 Paratransit Vehicles	2,390	38	6,150	86	8,540
Extended Warranties/Associated Capital	990		4,800		5,790
Purchase 464 Vanpool Vehicles	0		14,840	464	14,840
Capital Cost of Contracting/Commuter Vans	1,120		0		1,120
Bus Overhaul/Maintenance Expense	1,700		8,200		9,900
Subtotal- Rolling Stock	\$ 50,050		\$ 113,430		\$ 163,480
<b>ELECTRICAL/SIGNAL/COMMUNICATIONS</b>					
Purchase Systemwide Radio System Replacements	\$ 0		\$ 5,000		\$ 5,000
Subtotal- Electrical/Signal/Communications	\$ 0		\$ 5,000		\$ 5,000
<b>SUPPORT FACILITIES &amp; EQUIPMENT</b>					
Maintenance/Support Equipment/Support Vehicles	\$ 1,340		\$ 6,000		\$ 7,340
Office Equipment/Furniture/Printing Equipment	130		950		1,080
Drivers Simulators	0		1,600		1,600
Farebox Enhancements & Ticket Vending Machines	0		2,110		2,110
Computers/Databases/Comp. Systems	3,310		22,020		25,330
Improvements to Garages/Facilities	1,770		12,300		14,070
Expand Existing Garages	0		12,000		12,000
Construct New Garages-Northwest Cook/DuPage	0		38,000		38,000
Facilities Environmental Compliance	0		400		400
Subtotal - Support Facilities & Equipment	\$ 6,550		\$ 95,380		\$ 101,930
<b>STATIONS &amp; PASSENGER FACILITIES/MISCELLANEOUS</b>					
Hodgkins/UPS Transfer Facility	\$ 0		\$ 1,000		\$ 1,000
Shelters/Signs/Passenger Amenities	30		5,850		5,880
Fixed Facilities-Existing System	0		4,500		4,500
Fixed Facilities-Expansion/Enhancement	0		3,200		3,200
Unanticipated Capital	250		1,000		1,250
Subtotal-Stations & Passenger Facilities/Miscellaneous	\$ 280		\$ 15,550		\$ 15,830
<b>CONTINGENCIES/ADMINISTRATION</b>					
	\$ 1,360		\$ 3,960		\$ 5,320
Total Pace Program	\$ 58,240		\$ 233,320		\$ 291,560



## General

# 2001-2003 Financial Plan and Fund Balance

The following section presents Pace's financial plan and fund balance for 2001 through 2003. The amended RTA Act requires the Service Boards to submit such a plan in addition to their annual programs and budgets. The final plan is required to show a balance between the funding estimates provided by the RTA and the anticipated cost of providing services for the forthcoming and two following fiscal years. Pace's plan for 2001-2003 achieves this balance.

As mentioned in the section on the 2001 operating budget, numerous actions including new service initiatives, increased financial support from local governments and an ADA paratransit fare increase will be required to bring the budget within RTA funding and recovery levels for 2001. For outlying years 2002 and 2003, revenue growth will continue to be needed in order to operate within the RTA recovery requirements estimated for this future time period.

Given that Pace will be required to maintain a 40% recovery rate over each year of this three year plan, several actions to raise revenues have been identified. First, Pace expects to enter into agreements with the municipalities of Schaumburg and Downers Grove to incorporate local transportation service initiatives into Pace's 2001 budget. These initiatives are expected to gain

\$1.3 million in operating income for 2001, and are expected to continue to generate this level of income throughout the outlying years of the plan.

Second, Pace plans to expand its program to garner financial support from local governments for current services. This effort will need to achieve nearly \$1.0 million in new revenue to avoid the need for a systemwide fare increase in 2001. This initiative will also be required to grow in the outlying years of the plan in order to maintain the 40% recovery requirement.

In addition to these efforts, Pace will also rely on increased local government support for its fixed route program in Niles, and the Dial-a-Ride paratransit program.

And finally, Pace will raise fares for the ADA paratransit program, effective January, 2001.

The impact of these actions on revenue will directly affect Pace's ability to reach the 40% recovery rate in 2001 and to maintain this level of recovery performance throughout the three year plan.

**Table 23. Baseline Economic Assumptions**

	2000	2001	2002	2003	Where Applied
CPI-U (National)	3.0%	2.6%	2.3%	2.4%	Note 1
CPI-U Medical Care	6.8%	6.5%	5.7%	6.1%	Note 2
T-Bill Rate (3 Month)	6.0%	6.3%	5.6%	5.6%	Investment Income 2000-2003
#2 Diesel % Change	62.4%	-9.0%	-10.8%	-9.0%	Note 3

Note 1—The Blue Chip Economic Indicator Report was the source for CPI data for years 2000 and 2001. WEFA rates were used for years 2002 and 2003. The general inflation rate was used in all cases where a more specific rate of growth was not known or available. These rates were used more in the out years 2002 and 2003 as they are beyond the range of most current labor agreements.

Note 2—For purposes of budget development, we used rates supplied by WEFA.

Note 3—We used current year prices and oil futures contract pricing to develop the fuel price estimates for all years of the plan. Detailed fuel assumptions are provided below:

Fuel	2000	2001	2002	2003
Volume/Gal.	5,300 mil	5,383 mil	5,383 mil	5,383 mil
Average Price	\$ .921	\$ .838	\$ .747	\$ .680
Costs	\$4,883 mil	\$4,511 mil	\$4,021 mil	\$3,658 mil

## ASSUMPTIONS

Numerous sources were referenced in order to identify appropriate economic assumptions to be used in developing the budget. Several key sources referenced for information included: The Blue Chip Economic Indicator Report (provides a consensus outlook by 52 economists on the trends of several key economic indicators—including inflation as measured by the consumer price index—CPI); The Blue Chip Financial Forecast (a report on the trend for interest rates); The Wall Street Journal (source for indicators for PPI, Oil Futures, Interest Rates and general economic information); Bureau of Labor Statistics-BLS (source of key inflation indicators); Bloomberg Financial (a web site providing numerous indicators including energy trends); The Oil Daily (an oil industry newsletter providing up-to-the-minute activities in the oil market); and the WEFA Group, an economic consulting firm under contract to provide the RTA with key assumptions used to build the budget.

The key assumptions and their application used to develop the Pace three year plan are summarized on Table 23.

Individual projections and assumptions are made in order to develop the annual budget and outlying year forecasts. In general, these estimates are based on the economic data shown on Table 23. The

outcome of applying these assumptions to known or anticipated conditions for major expense categories is reflected on Table 24.

Pace's three year plan (Table 26) is in compliance with funding and recovery marks set by the RTA. The surplus between operating needs and RTA funding marks is the result of adjustments that were required to both revenue and expenses in order to meet the 40% recovery ratio. Surplus funds can be redirected to meet Pace's capital needs.

Operating expenses, in 2001, are expected to increase 4.4% over current year estimates. Over the three year period, expenses are projected to grow at an annual compound rate of 2.9%, and this growth rate has been constrained to comply with funding projections provided by the RTA.

**Table 24. Major Expense Category Growth Over Prior Year**

	2001	2002	2003
Labor/Fringes	3.8%	3.5%	3.5%
Parts/Supplies	-3.5%	1.2%	1.9%
Utilities	-1.5%	0.1%	0.2%
Fuel	-7.6%	-10.9%	-9.0%
(\$/Gallon)	(.838)	(.747)	(.680)

## Fund Balance

Since inception, Pace has been able to establish savings from its annual operating budgets by containing costs through good management. By the end of 1999, Pace has accumulated over \$40 million in savings. The RTA has a policy which allows the Service Boards to use accumulated savings for capital projects or one-time operating expenses. Between 1986 and 1999, Pace has committed more than \$34 million for capital projects funded out of this reserve and has used over \$2 million to fund one-time operating expenses as noted in the table that follows.

In 2000, Pace expects to finish the year with a funding surplus of \$419,000; however, fund balance will actually decline slightly after using \$1,037,000 to fund capital projects. During 2001, Pace has identified the need to use an additional \$1,242,000 of fund balance to fund several capital projects. These planned expenditures will bring Pace's unrestricted fund balance to \$3.6 million by the end of 2001.

The following table identifies the capital and operating fund requirements by Pace from 1986 to 2000 and the proposed obligations for 2001. Proposed obligations beyond 2001 include \$1.3 million annually for capital projects. Note Table 25 includes a line for capital funds

that have been reprogrammed from prior year commitments. These funds reflect the difference or savings between original programmed commitments and

actual commitments. This difference is a credit back to fund balance and is available to be reprogrammed.

**Table 25. Capital and Operations Funding Provided Via Pace Fund Balance (000's)**

	Capital	Operations
1986	\$ 1,959	-
1987	\$ 1,950	-
1988	\$ 7,611	-
1989	\$ 6,192	-
1990	\$ 415	-
1991	\$ 285	-
1992	\$ 5,281	\$ 2,240
1993	\$ 1,113	\$ -
1994	\$ 2,101	\$ -
1995	\$ 331	\$ -
1996	\$ 4,930	\$ 147
1997	\$ 250	\$ 70
1998	\$ 377	\$ -
1999	\$ 685	\$ -
2000	\$ 1,037	\$ -
2001	\$ 1,242	\$ -
Subtotal	\$ 35,759	\$ 2,457
Reprogrammed from prior commitments	\$ (1,404)	\$ 0
Grand Total	\$ 34,355	\$ 2,457



**Table 26. 2001–2003 Three Year Plan and Fund Balance (000's)**

	1999 Actual	2000 Estimate	2001 Proposed	2002 Estimate	2003 Estimate
<b>REVENUES</b>					
Farebox	\$ 33,193	\$ 34,960	\$ 36,089	\$ 36,745	\$ 37,414
Reduced Fare Reimb	1,646	3,655	3,655	3,655	3,655
Investment/Other	2,650	2,543	2,778	2,807	2,836
Advertising	2,004	2,150	2,300	2,400	2,400
C M A Q	397	403	411	419	427
Vanpool	1,747	1,837	1,986	2,170	2,323
CTA Reimbursement	500	500	500	500	500
Gain on Sale of Loss Portfolio	0	1,939	0	0	0
Schaumburg	0	0	800	818	838
Downers Grove	0	0	540	552	566
Government Subsidies/Fare Increase	0	0	960	1,400	1,995
Total Revenue	\$ 42,137	\$ 47,987	\$ 50,019	\$ 51,466	\$ 52,954
<b>OPERATING EXPENSES</b>					
Labor/Fringes	\$ 65,211	\$ 66,946	\$ 69,511	\$ 71,912	\$ 74,456
Parts/Supplies	3,144	3,249	3,134	3,172	3,232
Other	7,209	7,626	7,753	7,932	8,122
Private Contract	8,501	8,390	8,211	8,400	8,601
Dial A Ride	9,483	9,959	10,438	10,678	10,935
ADA Paratransit	8,107	8,678	9,702	10,148	10,635
Vanpool	1,659	1,884	2,070	2,390	2,623
C M A Q	2,041	1,632	1,661	1,699	1,740
Schaumburg	0	0	800	818	838
Downers Grove	0	0	600	614	629
Insurance	3,765	5,100	5,258	5,379	5,508
Fuel	3,097	4,883	4,511	4,021	3,658
Utilities	1,353	1,424	1,403	1,405	1,408
Total Expense	\$ 113,570	\$ 119,771	\$ 125,052	\$ 128,568	\$ 132,385
Funding Requirement	\$ 71,443	\$ 71,784	\$ 75,033	\$ 77,102	\$ 79,431
Recovery Ratio	37.10%	40.07%	40.00%	40.00%	40.00%
<b>PUBLIC FUNDING</b>					
RTA Operating	\$ 70,482	\$ 71,799	\$ 75,002	\$ 79,052	\$ 82,747
C M A Q/Other	1,860	431	132	135	142
Total Public Funding	\$ 72,342	\$ 72,203	\$ 75,134	\$ 79,187	\$ 82,889
Surplus/(Deficit)	\$ 909	\$ 419	\$ 101	\$ 2,085	\$ 3,458
<b>FUND BALANCE</b>					
Beginning Balance	\$ 5,219	\$ 5,443	\$ 4,825	\$ 3,684	\$ 4,469
Less Obligations/Other	685	1,037	1,242	1,300	1,300
Ending Balance	\$ 5,443	\$ 4,825	\$ 3,684	\$ 4,469	\$ 6,627

## Financial Plan Variance

Pace is required (by statute) to perform a comparison of its budget and Three Year Plan to the existing RTA Three Year Plan. Explanations of the variances between these two plans are highlighted and discussed below.

Pace's total funding requirement for 2001 is up \$1.6 million over the existing RTA plan, however, consistent with the RTA's funding marks set for the new plan. The RTA has also required Pace to maintain a 40% recovery rate consistent with the original plan. This will be the second consecutive year for a 40% recovery rate. In order to maintain this level of recovery performance, Pace will, again, have to raise revenue and constrain expense growth wherever possible.

The original plan called for a sizeable growth in revenue which was to come from increases in state reduced fare reimbursements as well as a fare increase and higher reimbursement levels from the CTA. A significant increase from the state's reduced fare program did occur, however, not to the full extent of original plan levels—off by \$345,000. Also, increased CTA reimbursement levels did not materialize and consequently required Pace to abandon acceptance of the CTA

7-day pass from the Pace system—a variance to the original plan of \$1.3 million.

In order to offset the shortfalls in required revenue growth, Pace has identified several alternate actions in the new plan to raise revenues. First, Pace expects to enter into agreements with Schaumburg and Downers Grove to incorporate new local transportation service initiatives into the 2001 budget and multi year plan—\$1.3 million in new funds. Pace will also look to local governments for expanded financial support in order to avoid the need for a systemwide fare increase in 2001—\$.960 million in new funds. In addition to these new efforts, Pace will look to increased local government support for its fixed route program in Niles, and the dial-a-ride programs, and will raise fares for the ADA paratransit program. Total revenue growth in the new plan will also be aided by increased advertising revenue—up by \$400,000.

Expense growth has been constrained in the new plan in order to operate within the funding and recovery requirements set by the RTA. The new plan shows the expenses to increase \$2.7 million over original plan levels, however, Schaumburg and Downers Grove new initiatives account for \$1.4 million of this expense growth and the significant rise in fuel costs accounts for another \$1.0 million of the total expense growth. The ADA paratransit program is also up \$4 million over the original plan.

Consistent with the original plan, the recovery rate remains fixed at 2001 levels for the outlying years of the new plan. In order to meet this rate, the plan has assumed continued revenue growth from

the new sources of revenue. If this does not materialize, Pace will need to consider a fare increase by mid 2001, in order to ensure recovery compliance.

**Table 27. 2001–2003 Three Year Financial Plan Variance From Existing RTA Plan (000's)**

	2001	2002	2003
<b>FUNDING REQUIREMENT (ALL SOURCES)</b>			
RTA Plan (2000–2002)	\$ 73,373	\$ 75,749	*
Pace Plan (2001–2003)	75,034	77,102	79,429
Variance	\$ 1,661	\$ 1,353	N/A
<b>FAVORABLE/(UNFAVORABLE) CHANGES</b>			
Revenue			
Farebox Changes (with CMAQ)	\$ 51	\$ 54	
Investment/Other Income	4	17	
Advertising	400	400	
Reduced Fare Reimbursement	(345)	(345)	
CTA Reimbursement	(1,309)	(1,932)	
Schaumburg (New Initiative)	800	818	
Downers Grove (New Initiative)	540	552	
Government Subsidies/Fare Increase	960	1,400	
Total Changes in Revenue	\$ 1,101	\$ 964	
Total Changes in Expenses	\$ 2,762	2,317	
Total Change in Required Funding	\$ 1,661	\$ 1,353	N/A
<b>RECOVERY RATIO</b>			
RTA Plan (2000–2002)	40.00%	40.00%	*
Pace Plan (2001–2003)	40.00%	40.00%	40.0%

\*Note: The current RTA plan does not contain projected funding levels for FY2003, thereby, eliminating comparability between plans. The current RTA plan (issued December 1999) identified funding estimates for only 2000–2002.

## Pace Cash Flow—2001

The following provides an estimate of Pace's revenues, expenses and cash position for operations on a monthly basis. Cash flow estimates for public operating funding are included in total revenues and are based on information provided by the RTA.

The amount of cash remaining at year-end will differ from Pace's projected 2001 fund balance as a result of timing differences in the disbursement of public funds from the RTA.

Capital grant expenditures are funded on a draw down basis from the grantors and are not held by Pace for more than a few days. They are, therefore, excluded from this cash flow

**Table 28. Projected Cash Flow\*—2001 (000's)**

	Beginning Balance	Revenues	Expenses	Net Results	Ending Balance
January	\$ 4,825	\$ 10,069	\$ 10,412	\$ (343)	\$ 4,482
February	4,482	10,001	10,414	(413)	4,069
March	4,069	11,527	10,416	1,111	5,180
April	5,180	9,607	10,417	(810)	4,370
May	4,370	9,726	10,419	(693)	3,677
June	3,677	10,207	10,420	(213)	3,464
July	3,464	10,297	10,422	(125)	3,339
August	3,339	10,586	10,424	162	3,501
September	3,501	10,805	10,425	380	3,881
October	3,881	10,434	10,427	7	3,888
November	3,888	10,327	10,428	(101)	3,787
December	3,787	10,437	10,428	9	3,796

\*Excludes restricted fund cash reserves held for insurance claims and capital commitments, as well as payouts for capital obligations funded with positive budget variance (PBV)

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The 2001 operating and capital program, the 2001–2003 financial plan, and the 2001–2005 capital plan as presented represents a comprehensive view of the entire Pace system. Pace will work to achieve the 40% recovery ratio as called for by the RTA by relying on new service partnerships that improve our overall recovery performance. We will make every effort to raise the additional operating income needed without raising fares. If our efforts prove unsuccessful, we will reconsider a fare adjustment only as a last resort.

During the next several years, Pace will continue to do everything within its power to maximize its effectiveness within available resources. Ultimately, however, the level of service provided is a public policy decision reflected by the RTA allocation of funds and the recovery ratio level they set for Pace.



## Appendix A

### 1999 Actual Results

#### 1999 Actual Program, Activity and Object Matrix

	Pace Operating Divisions	Public Carriers	Private Carriers	Dial-a-Ride
<b>REVENUE</b>				
Farebox	\$ 23,893,954	\$ 637,505	\$ 2,494,469	\$ 1,036,139
Half-Fare Reimbursement	0	0	0	0
Advertising Revenue	0	0	0	0
Other	779,662	0	204,867	4,291,593
CTA Reimbursement	0	0	0	0
Total Revenue	\$ 24,763,616	\$ 637,505	\$ 2,699,336	\$ 5,327,732
<b>OPERATING EXPENSES</b>				
Operations				
Labor/Fringes	\$ 38,534,436	\$ 1,319,498	\$ 0	\$ 0
Parts/Supplies	16,447	459	0	0
Purchased Transportation/Other	191,088	\$ 17,759	\$ 8,500,963	\$ 8,269,714
Total Operations	\$ 38,741,971	\$ 1,337,716	\$ 8,500,963	\$ 8,269,714
Vehicle Maintenance				
Labor/Fringes	\$ 9,002,227	\$ 253,911	\$ 0	\$ 0
Parts/Supplies	1,731,720	81,134	0	0
Fuel	0	0	0	0
Other	(466,494)	34,632	0	551,376
Total Vehicle Maintenance	\$ 10,267,453	\$ 369,677	\$ 0	\$ 551,376
Non-Vehicle Maintenance				
Labor/Fringes	\$ 787,136	\$ 0	\$ 0	\$ 0
Parts/Supplies	331,162	0	0	0
Other	631,548	0	0	0
Total Non-Vehicle Maintenance	\$ 1,749,846	\$ 0	\$ 0	\$ 0
General Administration				
Labor/Fringes	\$ 1,796,395	\$ 172,876	\$ 0	\$ 0
Parts/Supplies	82,020	353	0	0
Utilities	1,221,619	35	0	0
Insurance	0	0	0	0
Other	409,726	(106,291)	0	662,188
Total Administration	\$ 3,509,760	\$ 66,973	\$ 0	\$ 662,188
Total Expenses	\$ 54,269,030	\$ 1,774,366	\$ 8,500,963	\$ 9,483,278
Funding Requirement	\$ 29,505,414	\$ 1,136,861	\$ 5,801,627	\$ 4,155,546
Recovery Ratio	45.63%	35.93%	31.75%	56.18%

ADA Paratransit Services	Vanpool	CMAQ	Centralized Support	Administration	1999 Actual Total
\$ 749,186	\$ 1,747,361	\$ 396,609	\$ 0	\$ 0	\$ 31,045,223
0	0	0	0	1,646,108	1,646,108
0	0	0	0	2,003,698	2,003,698
0	0	0	0	1,665,284	6,941,406
0	0	0	0	0	500,000
\$ 749,186	\$ 1,747,361	\$ 396,609	\$ 0	\$ 5,315,090	\$ 42,136,435
\$ 0	\$ 0	\$ 2,040,703	\$ 2,179,522	\$ 0	\$ 44,074,159
0	0	0	0	0	16,906
8,106,700	1,658,706	0	0	0	26,744,930
\$ 8,106,700	\$ 1,658,706	\$ 2,040,703	\$ 2,179,522	\$ 0	\$ 70,835,995
\$ 0	\$ 0	\$ 0	\$ 2,173,200	\$ 0	\$ 11,429,338
0	0	0	679,323	0	2,492,177
0	0	0	3,096,941	0	3,096,941
0	0	0	948,330	0	1,067,844
\$ 0	\$ 0	\$ 0	\$ 6,897,794	\$ 0	\$ 18,086,300
\$ 0	\$ 0	\$ 0	\$ 198,717	\$ 0	\$ 985,853
0	0	0	0	0	331,162
0	0	0	250,566	102,630	984,744
\$ 0	\$ 0	\$ 0	\$ 449,283	\$ 102,630	\$ 2,301,759
\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,792,219	\$ 10,761,490
0	0	0	0	221,524	303,897
0	0	0	0	131,709	1,353,663
0	0	0	3,765,357	0	3,765,357
0	0	0	2,440,893	2,754,609	6,161,125
\$ 0	\$ 0	\$ 0	\$ 6,206,250	\$ 11,900,061	\$ 22,345,232
\$ 8,106,700	\$ 1,658,706	\$ 2,040,703	\$ 15,732,849	\$ 12,002,691	\$ 113,569,286
\$ 7,357,514	\$ (88,655)	\$ 1,644,094	\$ 15,732,849	\$ 6,687,601	\$ 71,432,851
9.24%	105.34%	19.43%	0.00%	44.28%	37.10%

## 2000 Estimated Results

### 2000 Estimated Program, Activity and Object Matrix

	Pace Operating Divisions	Public Carriers	Private Carriers	Dial-a-Ride
<b>REVENUE</b>				
Farebox	\$ 25,565,000	\$ 634,000	\$ 2,362,000	\$ 1,027,064
Hall-Fare Reimbursement	0	0	0	0
Advertising Revenue	0	0	0	0
Gain on Sale of Loss Portfolio	0	0	0	0
Other	778,000	0	210,000	4,584,195
CTA Reimbursement	0	0	0	0
Total Revenue	\$ 26,343,000	\$ 634,000	\$ 2,572,000	\$ 5,611,259
<b>OPERATING EXPENSES</b>				
Operations				
Labor/Fringes	\$ 40,456,340	\$ 1,295,264	\$ 0	\$ 0
Parts/Supplies	21,378	486	0	0
Purchased Transportation/Other	187,252	26,090	8,390,123	8,632,667
Total Operations	\$ 40,664,970	\$ 1,321,840	\$ 8,390,123	\$ 8,632,667
Vehicle Maintenance				
Labor/Fringes	\$ 9,292,710	\$ 247,559	\$ 0	\$ 0
Parts/Supplies	1,602,431	78,223	0	0
Fuel	0	0	0	0
Other	(562,718)	32,973	0	619,655
Total Vehicle Maintenance	\$ 10,332,423	\$ 358,755	\$ 0	\$ 619,655
Non-Vehicle Maintenance				
Labor/Fringes	\$ 817,245	\$ 0	\$ 0	\$ 0
Parts/Supplies	323,619	0	0	0
Other	593,253	0	0	0
Total Non-Vehicle Maintenance	\$ 1,734,117	\$ 0	\$ 0	\$ 0
General Administration				
Labor/Fringes	\$ 1,751,217	\$ 177,645	\$ 0	\$ 0
Parts/Supplies	79,346	374	0	0
Utilities	1,275,183	37	0	0
Insurance	0	0	0	0
Other	330,105	2,224	0	706,325
Total Administration	\$ 3,435,851	\$ 180,280	\$ 0	\$ 706,325
Total Expenses	\$ 56,167,361	\$ 1,860,875	\$ 8,390,123	\$ 9,958,647
Funding Requirement	\$ 29,824,361	\$ 1,226,875	\$ 5,818,123	\$ 4,347,388
Recovery Ratio	46.90%	34.07%	30.66%	56.35%



ADA Paratransit Services	Vanpool	CMAQ	Centralized Support	Administration	2000 Estimated Total
\$ 788,000	\$ 1,837,437	\$ 402,926	\$ 0	\$ 0	\$ 32,616,427
0	0	0	0	3,655,286	3,655,286
0	0	0	0	2,150,000	2,150,000
0	0	0	0	1,939,413	1,939,413
0	0	0	0	1,554,572	7,126,767
0	0	0	0	0	500,000
\$ 788,000	\$ 1,837,437	\$ 402,926	\$ 0	\$ 9,299,271	\$ 47,987,893
\$ 0	\$ 0	\$ 1,631,770	\$ 2,201,241	\$ 0	\$ 45,584,615
0	0	0	0	0	21,864
8,678,000	1,884,273	0	0	0	27,798,405
\$ 8,678,000	\$ 1,884,273	\$ 1,631,770	\$ 2,201,241	\$ 0	\$ 73,404,884
\$ 0	\$ 0	\$ 0	\$ 2,166,485	\$ 0	\$ 11,706,754
0	0	0	847,042	0	2,527,696
0	0	0	4,882,554	0	4,882,554
0	0	0	671,024	0	760,934
\$ 0	\$ 0	\$ 0	\$ 8,567,105	\$ 0	\$ 19,877,938
\$ 0	\$ 0	\$ 0	\$ 294,204	\$ 0	\$ 1,111,449
0	0	0	0	0	323,619
0	0	0	308,500	137,669	1,039,422
\$ 0	\$ 0	\$ 0	\$ 602,704	\$ 137,669	\$ 2,474,490
\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,247,369	\$ 10,176,231
0	0	0	0	296,000	375,720
0	0	0	0	148,763	1,423,983
0	0	0	5,099,556	0	5,099,556
0	0	0	2,656,899	3,242,681	6,938,234
\$ 0	\$ 0	\$ 0	\$ 7,756,455	\$ 11,934,813	\$ 24,013,724
\$ 8,678,000	\$ 1,884,273	\$ 1,631,770	\$ 19,127,505	\$ 12,072,482	\$ 119,771,036
\$ 7,890,000	\$ 46,836	\$ 1,228,844	\$ 19,127,505	\$ 2,773,211	\$ 71,783,143

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**2001 Program, Activity and Object Matrix**

	Pace Operating Divisions	Public Carriers	Private Carriers	Dial-a-Ride
<b>REVENUE</b>				
Farebox	\$ 26,174,595	\$ 653,000	\$ 2,320,596	\$ 1,043,495
Half-Fare Reimbursement	0	0	0	0
Advertising Revenue	0	0	0	0
Other	793,560	132,600	214,200	4,859,435
CTA Reimbursement	0	0	0	0
Local Government Subsidies/Fare Increase	0	0	0	0
Total Revenue	\$26,968,155	\$ 785,600	\$ 2,535,156	\$ 5,902,930
<b>OPERATING EXPENSES</b>				
Operations				
Labor/Fringes	\$ 41,671,819	\$ 1,300,520	\$ 0	\$ 0
Parts/Supplies	21,210	750	0	0
Purchased Transportation/Other	214,719	14,374	8,210,688	9,072,514
Total Operations	\$ 41,907,748	\$ 1,315,644	\$ 8,210,688	\$ 9,072,514
Vehicle Maintenance				
Labor/Fringes	\$ 10,121,529	\$ 262,696	\$ 0	\$ 0
Parts/Supplies	1,524,749	79,216	0	0
Fuel	0	0	0	0
Other	(673,663)	33,891	0	638,245
Total Vehicle Maintenance	\$ 10,972,615	\$ 375,803	\$ 0	\$ 638,245
Non-Vehicle Maintenance				
Labor/Fringes	\$ 926,642	\$ 0	\$ 0	\$ 0
Parts/Supplies	291,448	0	0	0
Other	579,833	0	0	0
Total Non-Vehicle Maintenance	\$ 1,797,973	\$ 0	\$ 0	\$ 0
General Administration				
Labor/Fringes	\$ 1,922,896	\$ 216,576	\$ 0	\$ 0
Parts/Supplies	85,952	350	0	0
Utilities	1,252,972	150	0	0
Insurance	0	0	0	0
Other	396,612	2,500	0	727,515
Total Administration	\$ 3,658,432	\$ 219,576	\$ 0	\$ 727,515
Total Expenses	\$ 58,336,768	\$ 1,911,023	\$ 8,210,688	\$ 10,438,274
Funding Requirement	\$ 31,368,613	\$ 1,125,423	\$ 5,675,532	\$ 4,535,344
Recovery Ratio	46.23%	41.11%	30.88%	56.55%

ADA Paratransit Services	Vanpool	Schaumburg/ Downers Grove	CMAQ	Centralized Support	Administration	2001 Budget Total
\$ 1,037,000	\$ 1,985,545	\$ 0	\$ 410,985	\$ 0	\$ 0	\$ 33,625,576
0	0	0	0	0	3,655,286	3,655,286
0	0	0	0	0	2,300,000	2,300,000
0	0	1,340,000	0	0	1,638,051	8,977,846
0	0	0	0	0	0	500,000
\$ 0	0	0	0	0	0	\$ 960,000
\$ 1,037,000	\$ 1,985,545	\$ 1,340,000	\$ 410,985	\$ 0	\$ 7,593,337	\$ 50,018,708
\$ 0	\$ 0	\$ 0	\$ 1,660,643	\$ 2,281,734	\$ 0	\$ 46,914,716
0	0	0	0	0	0	21,960
9,702,000	2,069,873	1,400,000	0	0	0	30,684,168
\$ 9,702,000	\$ 2,069,873	\$ 1,400,000	\$ 1,660,643	\$ 2,281,734	\$ 0	\$ 77,620,844
\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,245,638	\$ 0	\$ 12,629,863
0	0	0	0	837,433	0	2,441,398
0	0	0	0	4,510,648	0	4,510,648
0	0	0	0	650,720	0	649,193
\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,244,439	\$ 0	\$ 20,231,102
\$ 0	\$ 0	\$ 0	\$ 0	\$ 277,081	\$ 0	\$ 1,203,723
0	0	0	0	0	0	291,448
0	0	0	0	365,000	145,561	1,090,444
\$ 0	\$ 0	\$ 0	\$ 0	\$ 642,081	\$ 145,561	\$ 2,585,615
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,284,282	\$ 10,423,754
0	0	0	0	0	293,000	379,302
0	0	0	0	0	150,093	1,403,215
0	0	0	0	5,257,894	0	5,257,894
0	0	0	0	2,672,670	3,351,180	\$ 7,150,477
\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,930,564	\$12,078,555	\$ 24,614,642
\$ 9,702,000	\$ 2,069,873	\$ 1,400,000	\$ 1,660,643	\$19,098,818	\$12,224,116	\$125,052,203
\$ 8,665,000	\$ 84,328	\$ 60,000	\$ 1,249,658	\$19,098,818	\$ 4,630,779	\$ 75,033,495
10.69%	95.93%	95.71%	24.75%	0.00%	62.12%	40.00%



## Appendix B

### Budget Process, Basis and Debt

The RTA Act which governs Pace's existence contains specific language describing both the budget process and RTA review criteria.

#### THE BUDGET PROCESS

By September 15, the RTA is to advise Pace and the other Service Boards (CTA and Metra) of the amounts and timing for the provision of public funding via the RTA for the coming and two following fiscal years. At the same time, the RTA is to advise Pace, CTA and Metra of their required system generated recovery ratio for the coming fiscal year. In establishing the recovery ratio requirement, the RTA is to take into consideration the historical system generated recovery ratio for the services subject to each Service Board. The RTA is not to increase the recovery ratio for a Service Board disproportionately or prejudicially to increases in the ratio for the other Service Boards.

To facilitate the RTA action by September 15, Pace and the other Service Boards submit a draft budget and financial plan to the RTA for their review in August. The August submittal is not required by law but serves to improve the budget process by allowing the RTA to consider up-to-date forecasts and projections prior to making their September 15 decision on funding levels and recovery rate requirements.

By November 15, Pace is required to submit a budget proposal to the RTA for the coming fiscal year and a financial plan for the two following years which is consistent with the recovery ratio and funding marks established by the RTA in September.

Prior to submitting a budget and financial plan to the RTA, Pace is required to prepare and publish a comprehensive budget and program document (as represented by this document) and hold at least one public hearing on the budget in each of the six counties. Due to its large size, Pace typically holds three public hearings in Cook County. A schedule of the public hearings is contained in Appendix C of this document. Public notice of the hearings is run in several widely distributed newspapers throughout the service area. In addition, Pace is to meet with each of the six county boards to review the proposed budget and program. Above and beyond these required meetings, Pace participates in numerous meetings of local government organizations and councils such as CATS (Chicago Area Transportation Study) and various transportation committees (TMA's, business chambers) to inform the public of the proposed budget and program. Over 2,000 copies of this proposed budget document are printed and distributed to elected officials, local governments, transportation interests, public libraries and citizens.

At the conclusion of these meetings and hearings, the Pace Board meets to evaluate the input gained, make recommendations for changes to the proposed budget as necessary, and then adopts a final program and budget by ordinance. This action is taken prior to the submittal of the budget and program to RTA by November 15.

## RTA REVIEW CRITERIA

Once the final program and budget is submitted to the RTA, the RTA is required to evaluate it in accordance with six key criteria as established in the RTA Act

- The budget plan must show a balance between (a) anticipated revenues from all sources including operating subsidies and (b) the costs of providing the services specified and of funding any operating deficits or encumbrances incurred in prior periods, including provision for payment when due of principal and interest on outstanding indebtedness.
- The budget and plan must show cash balances including the proceeds of any anticipated cash flow borrowing sufficient to pay with reasonable promptness all costs and expenses as incurred.
- The budget and plan must provide for a level of fares or charges and operating or administrative costs for the public transportation provided by or subject to the jurisdiction of the Service Board sufficient to allow the Service Board to meet its required system-generated recovery ratio.
- The budget and plan are based upon and employ assumptions and projections which are reasonable and prudent
- The budget and plan must have been prepared in accordance with sound financial practices as determined by the Board.
- The budget and financial plan must meet such other financial, budgetary, or

fiscal requirements that the Board may by rule or regulation establish.

If the RTA finds a Service Board budget submittal does not meet these criteria, it can withhold public funding (other than formula sales tax proceeds) from the Service Board. The RTA Act further requires that the RTA adopt a budget for the Service Board within five days of the start of the fiscal year should the Service Board fail to submit a budget which meets the criteria.

Once the RTA has evaluated the budget submittals of Pace and the Service Boards, they then consolidate the information along with their own regional budget and plan information.

The consolidated regional budget must also achieve certain criteria. Chief among them is the requirement for the consolidated budget to cover 50% of its operating costs from fares and other operating revenues. This is considered the regional recovery rate requirements. The RTA also meets with each county board and holds public hearings in each county on the consolidated regional budget and plan. At the conclusion of these meetings and hearings, the RTA adopts a final budget and plan which requires the approval of nine of the RTA's thirteen directors. The RTA Act requires that the RTA is to adopt the consolidated regional budget no later than December 31 for presentation to the Governor and General Assembly

## BUDGET AMENDMENT PROCESS

The Pace Board may make additional appropriations, transfers between line items and other changes to its budget at any time as long as the changes do not alter the basis upon which the RTA made its balanced budget determination. Budget amendments are made from time to time by the Pace Board and are generally accomplished by revision to the annual appropriations ordinance. In the event a budget revision results in a general increase or a significant reduction of service, the Pace Board will also conduct public hearings in the affected areas.

Budget amendments which do not impact the RTA balanced budget determination basis are provided to the RTA for information purposes. The RTA may also initiate the need for a budget amendment by Pace or another Service Board if it determines such an amendment is necessary. Generally this would only occur if a Service Board failed to achieve its budgeted recovery ratio and/or exceeded its public funding allocation, in which case the RTA can direct the Service Board to submit an amended budget within a specified time frame. Additionally, the RTA may require the Service Boards to submit amended budgets to reflect a revision to public funding or the recovery ratio as deemed necessary by the RTA. The Service Boards have thirty days from date of notice to submit a revision. There

are no public hearing requirements for budget amendments which do not affect fares or services.

## BASIS OF BUDGETING

Pace's operating budget is prepared in a manner consistent with Pace's financial statements which are prepared on the accrual basis of accounting for a proprietary (enterprise) fund type.

Pace maintains a chart of accounts consistent with the Federal Transit Administration's Section 15 based financial reporting requirements. In general, these accounts are established by activity type (i.e., labor, materials and other) for four main expense object areas—operations, maintenance, non-vehicle maintenance and administration. Further segregation of accounts is used to identify activities by object class for individual service programs (i.e., vanpool, Dial-a-Ride, etc.)

## DEBT

Pace has no outstanding debt. Pace does not have statutory authority to independently issue debt, but may direct the RTA to issue up to \$5.0 million in working cash notes on its behalf. Pace has never exercised this option.



## Appendix C

### Legal Notice Pace

Suburban Bus Division of the RTA  
Public Hearings on Pace's Proposed  
2001 Operating and Capital Program,  
2001-2003 Financial Plan for Operations, and  
2001-2005 Capital Plan

Notice is hereby given that Pace, the Suburban Bus Division of the Regional Transportation Authority, is holding public hearings on its proposed program and budget for the year 2001 (January 1, 2001 through December 31, 2001), the financial plan for 2001-2003, and the capital plan for 2001-2005. The proposed 2001 budget includes a \$.50 fare increase to Pace's regular (\$2.00) ADA paratransit fare and a \$.020 fare increase to Pace's local (\$2.00) ADA paratransit fare.

Any person wishing to comment on the proposed budget may present views orally at the public hearings or by submitting written material on or before the last date of the hearing Saturday, October 28, 2000, or via the Internet at [www.pacebus.com](http://www.pacebus.com). (select "Public Hearing Comments Form"). Copies of the proposed program and budget are available for public inspection at:

Pace  
550 West Algonquin Road  
Arlington Heights, Illinois 60005-4412

Individuals with disabilities who plan to attend this meeting and who require certain accommodations other than transportation in order to allow them to observe and/or participate in this meeting are requested to contact Pace at 847/228-2448 (voice) or 847/364-5093 (TDD) ten days prior to the scheduled meeting.

Budget documents will be available after October 23, 2000 at most public libraries as well as townships, city and village offices in the six-county Pace region. You can also view the document via the Internet at [www.pacebus.com](http://www.pacebus.com) by clicking on the "What's New" button and selecting the link "Annual Budget Document."

Public Hearing Locations, Dates and Times follow.

October 11, 2000

## Schedule of Public Hearings

Pace will hold public hearings on its proposed budget at the following locations and the public is invited to attend and provide comment.

Hearing Location	Date	Time
<b>DuPage County Public Hearing</b> Elmhurst City Hall Council Chambers 209 N York Street Elmhurst	Thursday October 26 , 2000	4:30 - 6:30 p.m
<b>McHenry County Public Hearing</b> McHenry County Courthouse Room C-290 2200 N. Seminary Woodstock	Thursday October 26, 2000	4:30 - 6:30 p.m
<b>Will County Public Hearings</b> Joliet Municipal Building East Wing Conference Room 150 W Jefferson Street Joliet	Thursday October 26, 2000	4:30 - 6:30 p.m.
<b>Kane County Public Hearing</b> Kane County Government Center Lower Level Auditorium 719 S. Batavia Avenue Geneva	Friday October 27, 2000	4.30 - 6:30 p.m
<b>Lake County Public Hearing</b> Lake County Courthouse 18 N County Street Waukegan	Friday October 27, 2000	4 30 - 6:30 p.m.
<b>North Cook County Public Hearing</b> Des Plaines Civic Center Room 102 1420 Miner Street Des Plaines	Saturday October 28, 2000	10:00 -11.30 a.m.
<b>South Cook County Public Hearing</b> Markham Village Hall 16313 Kedzie Parkway Markham	Saturday October 28, 2000	10:00 - 11 30 a.m.
<b>West Cook County Public Hearing</b> Forest Park Village Hall 517 Desplaines Avenue Forest Park	Saturday October 28, 2000	10'00 - 11 30 a m



## Glossary

# Appendix D

### GLOSSARY (BUDGET TERMS)

**administration expense** Expense of labor, materials, and fees associated with general office functions, insurance, MIS, legal services, and customer services.

**capital budget** The appropriation of State and Federal grants for improvements to facilities and other infrastructure.

**cost per mile** Operating expense divided by vehicle miles for a particular program or in total.

**cost per passenger** Operating expense divided by ridership for a particular program or in total.

**deficit** The excess of expense over revenue.

**farebox revenue** Revenues gained from passengers and local, employer and other fare subsidies exclusive of the State Half-fare subsidy program. Also excludes interest income and advertising revenues.

**fares** The amount charged to passengers for use of various services.

**fringes (fringe benefit expense)** Pay or expense to or on behalf of employees not for performance of their work, including sick pay, vacation pay, pension contributions, life and health insurance, unemployment and workmen's compensation, social security costs and other allowances.

**full-time equivalent position (FTE)** A position (or positions) that total 2,080 hours of annual service.

**funding formula** A specific formula used to determine a subsidy level

**labor expense** The cost of wages and salaries (including overtime) to employees for performance of their work.

**maintenance expense** Expense of labor, materials, services, and equipment used to repair and service transit vehicles and service vehicles including all fuels for vehicle propulsion

**non-vehicle maintenance expense** Expense of labor, materials, services, and equipment used to repair and service way and structures, vehicle movement control systems, fare collection equipment, communication systems, buildings and grounds and equipment other than transit vehicles.

**operating assistance** Financial assistance for transit operations (not capital expenditures). Such aid may originate with federal, local or state governments

**operating budget** The planning of revenues and expenses for a given period of time to maintain daily operations.

**operations expense** Expense for labor, materials, fees and rents required for operating transit vehicles and passenger stations except electric propulsion power

**performance measure** Information collected to determine how efficient a route is operating



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**private contract services** Expense of labor, materials, and fees paid to companies or organizations providing transit service under contract to Pace. Also known as purchased transportation.

**program** (noun) Refers to groupings of expense accounts of similar activities or objects of expenditures (i.e., operations, maintenance, administration, or vanpool, dial-a-ride, as well as capital programs).

**program** (verb) To commit funds, for a given capital purpose, without necessarily appropriating these funds for expenditure. When the RTA approves Pace's capital budget, certain funds will be "programmed" so that they may be obligated (i.e., contracts signed) during the upcoming year, these funds may be expended during future years, not necessarily in the upcoming year.

**purchased transportation** Expense of labor, materials, and fees paid to companies or organizations providing transit service under contract to Pace.

**recovery ratio (recovery rate)** In total, equals system generated revenues divided by total operating expenses or can be calculated for a particular program. This ratio is calculated for each of the Service Boards and for the RTA region as a whole. The RTA Act mandates that the RTA region must attain a recovery ratio of at least 50% for a given year.

**services (purchased service)** Services performed by outside organizations for a fee. Purchased transportation is considered a purchased service.

**subsidy** Funds received from another source which are used to cover the cost of a service or program that is not self-supporting.

**system generated revenue (total operating revenue)** The total revenue generated from operations includes farebox revenues, local subsidies, state fare subsidies, advertising, interest and all other income. Excludes RTA and Federal subsidies.

**total operating expense** The sum of "vehicle operations," "vehicle maintenance," "non-vehicle maintenance," and "general administration" expense categories.

#### **TRANSIT SERVICE TERMS**

**ADA** The Americans with Disabilities Act of 1990. Transit systems are required to offer accessible mainline services and complementary ADA paratransit services by the Act and were given until January, 1997 to achieve full compliance.

**ADA paratransit service** Non-fixed route (paratransit) service utilizing vans and small buses to provide pre-arranged trips to and from specific locations within the ADA service area to certified participants in the program.

**CTA** The Chicago Transit Authority, created by state legislation, began operations in 1947. Operates bus and Rapid Transit service in the City and several suburbs.

**Dial-a-Ride service (D-A-R)** Non-fixed route ((paratransit) service utilizing vans and small buses to provide pre-arranged trips to and from specific locations within the Dial-a-Ride service area to individuals deemed eligible based on local requirements.

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- express bus (or route)** A suburban or intercity bus that operates a portion of the route without stops or with a limited number of stops
- fixed route service** Pace service provided on a regularly scheduled basis along a specific route with vehicles stopping to pick up and discharge passengers along the route.
- full size bus** A bus from 35 to 41 feet in length.
- medium size bus** A bus from 29 to 34 feet in length.
- Metra** The Commuter Rail Division of the RTA. Created in 1983 by amendment to the RTA Act to operate and oversee commuter rail operations in Northeastern Illinois.
- Pace** The Suburban Bus Division of the RTA. Created in 1983 by amendment to the RTA Act, responsible for all non-rail suburban public transit service with the exception of those services provided by CTA.
- paratransit service** A generic term used to describe non-fixed route service utilizing vans or buses to provide pre-arranged trips within the system service area
- ridership (unlinked passenger trips)** The number of transit vehicle boardings. Each passenger counted each time that person boards a vehicle.
- rolling stock** Public transportation vehicles which, for Pace, include all buses and vans.
- service board** A reference to the region's transit operators--CTA, Metra and Pace.
- small bus** A bus 28 feet or less in length
- subscription bus** A Pace service program which provides regular daily express bus service to 30 or more individuals with guaranteed seating that is open to the general public
- total vehicle miles** Sum of all miles operated by passenger vehicles, including mileage when no passengers are carried.
- van** A 20-foot long or shorter vehicle, usually with an automotive-type engine and limited seating normally entered directly through side or rear doors rather than from a central aisle, used for demand response and vanpool service
- vanpool** Pace's VIP (Vanpool Incentive Program) - a group of 5 to 15 people who commute to and from work together in a Pace-owned van
- wheelchair accessible vehicle (accessible vehicle)** A vehicle that a person utilizing a mobility aid, such as a wheelchair, may enter either via an on-board retractable lift or ramp or directly from a station platform reached by an elevator or a ramp that is either level with the vehicle floor or can be raised to floor level

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#### FUNDING TERMS

**CMAQ (Congestion Mitigation/Air Quality Grant)** A federal grant program designed to support transportation projects which reduce traffic congestion and improve air quality

**Discretionary funds** Funds which the RTA allocates, at its discretion, to the service boards. These funds include the 15% of the RTA sales tax and PTF

**FTA (Federal Transit Administration)** FTA provides capital assistance under Sections 5307 and 5309. Operating assistance is no longer available for urbanized areas over 200,000.

**fund balance** The excess of funding over deficit for a given period of time

**grants** Monies received from local, Federal and State governments to provide capital or operating assistance.

**Illinois FIRST** A fund passed by the Illinois legislature for Infrastructure, Roads, Schools and Transit

**Positive Budget Variance (PBV)** The amount by which a Service Board comes in favorable to available funding from RTA in a given budget year. RTA policy allows the service boards to retain these funds in an unrestricted fund balance which can be used for capital projects or one time operating expenses.

**Public Transportation Fund (PTF)** An operating subsidy from the State of Illinois equivalent to 25% of the RTA sales tax collected. RTA is required to allocate these funds to the service boards, although the basis is at their discretion. (Also known along with 15% sales tax, as discretionary funds.)

**RTA sales tax** A sales tax of 1% in Cook County and 1/4% in the collar counties of DuPage, Kane, Lake, McHenry and Will.

- 85% of the sales tax is fully distributed to the service boards by the RTA according to formulas established by the RTA Act (also known as formula funds or 85% funds)
- 15% of the sales tax is retained by the RTA and distributed to the service boards at its discretion (also known as discretionary funds).

**TEA-21** Transportation Equity Act for the 21st Century—Six year federal transportation authorization legislation

**unreserved fund balance** The portion of fund balance that is not already programmed into the budget and is available for appropriation



## Appendix E

### Reference

Background data on Pace and its market are provided below:

#### MARKET DATA

1990 Suburban Population	4,454,317
1990 Chicago Population	2,783,726
1990 Suburban Employment	2,163,660
1990 Chicago Employment	1,376,730
Suburban Population Density	1,293 per sq. mile
Suburban Employment Density	651 per sq. mile
Suburban Employers (Over 100 employees)	3,600

#### FIXED ROUTE SERVICE

Number of Fixed Routes	243
Number of Accessible Routes	142
Peak Period Vehicle Requirements	591
Pace-owned Fleet Size	639
Number Accessible	448
Average Vehicle Age	8.0 years
Contractor Owned Vehicles in Pace service	57
Number of Private Contractors	5
Number of Pace-owned Garages	9
Number of Pace Municipal Contractors	2

#### PARATRANSIT

Number of Communities Served	210
Number of Local Dial-A-Ride Projects	52
Number of ADA Service Projects	8
Pace-owned Fleet Size	354
Average Vehicle Age	5.2 years

#### OTHER

Number of Pace Employees (FTE's)	1,370
Vanpools in Operation (August 2000)	321

#### 2000 RIDERSHIP (ESTIMATED)

	Total	Average Daily
Fixed Route	36,240,416	120,801
Paratransit	1,580,859	5,966
Vanpool	1,286,187	4,854
CMAQ	413,003	1,559
Total	39,520,465	133,515

#### 2000 VEHICLE MILES (ESTIMATED)

	Total
Fixed Route	24,196,147
Paratransit	7,633,518
Vanpool	7,028,070
CMAQ	369,775
Total	39,227,510

## Trends

### RIDERSHIP (000's)

	Fixed Route	Paratransit DAR/ADA	Vanpool	Total	% Change		Fixed Route	Paratransit DAR/ADA	Vanpool	Total	% Change
1991	39,030	1,518	-	40,548	0.6%	1991	\$2.29	\$1.67	-	\$2.93	1.4%
1992	37,651	1,566	133	39,350	-3.0%	1992	\$2.36	\$1.66	\$0.24	\$2.96	1.0%
1993	36,340	1,576	354	38,270	-2.7%	1993	\$2.47	\$1.65	\$0.26	\$2.91	-1.7%
1994	36,433	1,563	567	38,563	0.8%	1994	\$2.64	\$1.70	\$0.34	\$2.99	2.7%
1995	34,787	1,616	774	37,177	-3.6%	1995	\$2.70	\$1.75	\$0.33	\$3.00	0.3%
1996	34,919	1,629	966	37,514	0.9%	1996	\$2.74	\$1.88	\$0.25	\$2.96	-1.3%
1997	35,159	1,583	1,117	37,859	0.9%	1997	\$2.73	\$1.95	\$0.33	\$2.95	-0.3%
1998	36,544	1,607	1,130	39,281	3.8%	1998	\$2.70	\$2.11	\$0.28	\$2.93	-0.7%
1999	37,365	1,585	1,223	40,173	2.3%	1999	\$2.72	\$2.36	\$0.24	\$2.93	0.0%
2000 Estimate	36,653	1,581	1,286	39,520	-1.6%	2000 Estimate	\$2.77	\$2.44	\$0.27	\$3.05	4.1%

### VEHICLE MILES (000's)

	Fixed Route	Paratransit DAR/ADA	Vanpool	Total	% Change		Fixed Route	Paratransit DAR/ADA	Vanpool	Total	% Change
1991	22,099	5,685	-	27,784	4.2%	1991	\$1.32	\$6.25	-	\$2.04	5.7%
1992	22,808	6,451	704	29,963	7.8%	1992	\$1.43	\$6.85	\$1.27	\$2.26	10.8%
1993	22,827	7,181	1,722	31,730	5.9%	1993	\$1.55	\$7.52	\$1.28	\$2.41	6.6%
1994	22,402	7,371	2,350	32,123	1.2%	1994	\$1.62	\$8.02	\$1.39	\$2.49	3.3%
1995	22,519	7,965	3,579	34,064	6.0%	1995	\$1.75	\$8.61	\$1.52	\$2.74	10.0%
1996	22,907	8,007	4,711	35,625	4.6%	1996	\$1.79	\$9.26	\$1.22	\$2.81	2.6%
1997	23,692	7,813	5,277	36,782	3.2%	1997	\$1.84	\$9.62	\$1.55	\$2.87	2.1%
1998	23,932	7,932	5,995	37,859	2.9%	1998	\$1.82	\$10.41	\$1.51	\$2.82	-1.6%
1999	24,495	7,468	6,857	38,820	2.5%	1999	\$1.78	\$11.10	\$1.36	\$2.83	0.4%
2000 Estimate	24,566	7,634	7,028	39,228	1.1%	2000 Estimate	\$1.86	\$11.79	\$1.47	\$3.03	6.9%

### RECOVERY RATIO

	Fixed Route	Paratransit DAR/ADA	Vanpool	Total	% Change		Fixed Route	Paratransit DAR/ADA	Vanpool	Total	% Change
1991	43.38%	40.39%	-	36.46%	-4.1%	1991	\$0.75	\$3.69	-	\$1.29	7.5%
1992	46.00%	38.70%	115.98%	36.31%	-0.4%	1992	\$0.77	\$4.20	(\$0.20)	\$1.44	11.6%
1993	45.16%	35.09%	118.28%	36.41%	0.3%	1993	\$0.85	\$4.88	(\$0.23)	\$1.53	6.3%
1994	44.94%	33.87%	102.03%	36.33%	-0.2%	1994	\$0.89	\$5.30	(\$0.03)	\$1.59	3.9%
1995	43.29%	38.70%	86.85%	36.07%	-0.7%	1995	\$0.99	\$5.28	\$0.20	\$1.76	10.7%
1996	43.35%	32.56%	105.62%	36.04%	-0.1%	1996	\$1.02	\$6.25	(\$0.07)	\$1.80	2.3%
1997	43.85%	35.30%	84.30%	37.53%	4.1%	1997	\$1.03	\$6.23	\$0.24	\$1.79	-0.6%
1998	44.57%	34.69%	98.06%	38.37%	2.2%	1998	\$1.01	\$6.80	\$0.03	\$1.74	-2.8%
1999	43.55%	34.55%	105.34%	37.10%	-3.3%	1999	\$1.01	\$7.27	(\$0.07)	\$1.78	2.3%
2000 Estimate	44.75%	34.34%	97.51%	40.07%	8.0%	2000 Estimate	\$1.03	\$7.74	\$0.04	\$1.82	2.2%





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